



Daily Report

Latin America

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Monday
16 August 1993

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Caricom Stands Firm on Cuba Ties

FL1308162393 Bridgetown CANA in English 1521
GMT 13 Aug 93

[Report by Rickey Singh]

[Text] Bridgetown, Barbados, Aug 13, CANA—Caribbean Community (Caricom) governments are sticking to an agreement to have a joint commission with Cuba that has angered some U.S. congressmen, a Caricom secretariat source reported. Within 48 hours, the governments of the community will officially inform the U.S. they intend to go ahead with plans for the inauguration of the commission, said the source, who did not want to be identified.

This message will be "expressed in the usual polite, sophisticated, but clear manner as Caricom governments are accustomed to doing in the conduct of foreign policy matters, particularly with a friendly government like that of the U.S.A.", the official told the Caribbean News Agency.

Caricom heads of government on Thursday [12 August] approved the "consensus draft" of the letter, likely to be signed by Caricom's chairman, Prime Minister Hubert Ingraham of the Bahamas, or the community's secretary general, Edwin Carrington. The letter is expected to be forwarded to U.S. Congressman Robert Torricelli. The letter is in response to one sent to community leaders July 26 by Torricelli, chairman of the Subcommittee on Western Hemisphere affairs of the U.S. Foreign Relations Committee, and three other subcommittee members. The letter signed by Torricelli said establishing the joint commission could have serious implications for the inclusion of Caricom in any U.S.-promoted future free trade arrangement in the hemisphere.

Congressmen are divided on the issue of U.S.-Cuba ties. Charles Rangel, a member of the Democratic Party like Torricelli, has introduced a bill urging the U.S. Administration to end the 31-year-old U.S. embargo against Cuba. Rangel is also seeking the repeal of the 1992 "Cuban Democracy Act," which was supported by Torricelli and signed by Ex-President George Bush during the 1992 presidential election campaign. He has urged President Clinton to stand by Caricom, "a region of traditional allies of the U.S.A."

The influential Black Caucus—which supported the election of Clinton—and the Caribbean Latin American Action (CLAA) have expressed disagreement with the stand taken by Torricelli on the proposed Caricom-Cuba joint commission. Congressman Rangel told President Clinton: "The Caricom pact, covering trade, economic, and technological co-operation, is not surprising in view of the economic relations with Cuba maintained throughout the years of our embargo by some of our most important trading partners, including Mexico, Canada and major European allies...."

Rangel is seeking an urgent meeting with representatives of the U.S. State Department and National Security Council prior to the convening of hearings on his legislation for the lifting of the U.S. embargo against Cuba. He told President Clinton: "The Cuban Government is itself being forced by circumstances to change its own economic policies, inviting investments in what may in five years be a U.S.\$6 billion dollar market, according to a John Hopkins' University study...."

The president of the CLAA, Peter Johnson, has been holding private discussions with some of the congressmen who signed the July letter with Torricelli. Johnson said they had misinterpreted the purpose of the Caricom-Cuba joint commission.

In the Caricom region, the Caribbean Policy Development Centre (CPDC), an umbrella grouping of some 20 non-government organisations, has opposed the letter from the U.S. congressmen. And in a letter to Caricom Secretary General Carrington, the regional human rights network, Caribbean Rights, expressed its support for Caricom's sovereign right to establish the commission with Cuba.

A State Department source said Congressman Torricelli and others of the Foreign Relations Committee "are free to make statements of their own, however formulated. This should not be confused with a policy decision by the Clinton administration."

Ministry Surprised Over Envoy Signing Letter on Cuba

FL1408142093 Bridgetown CANA in English 1720
GMT 13 Aug 93

[Text] Santo Domingo, Dominican Republic, Aug 13, CANA—The Foreign Ministry of the Dominican Republic has reacted with surprise at the news that the country's ambassador to the United States had signed a letter with the ambassadors of six Central American countries, distancing their governments from a Caribbean Community (Caricom) decision to set up a joint commission with Cuba.

The Spanish language daily newspaper, EL SIGLO, Thursday [12 August] quoted Vice Foreign Minister Fabio Herrera Cabral, who has special responsibility for the Caribbean, as saying he could not comment on the issue because he had not been informed of the contents of the letter.

The letter in question was sent to congressman Robert Torricelli, chairman of the U.S. House of Representatives' subcommittee on Western Hemisphere Affairs, following a letter the subcommittee sent to Caricom governments protesting the establishment of the commission with Cuba. Caricom governments were urged by subcommittee members to reconsider and rescind the decision, and were warned their countries could lose congressional support for their quest, as Caribbean Basin Initiative (CBI) beneficiary countries, to receive the

same trade benefits as Mexico under the North American Free Trade Agreement (NAFTA).

The Washington ambassadors of Dominican Republic, Costa Rica, Honduras, Nicaragua, El Salvador, Guatemala, and Panama, which also want the same benefits under NAFTA, sent the letter to Torricelli saying their countries "should not be penalized or held accountable" for the actions of Caricom states.

EL SIGLO said the letter had triggered concern in official circles here and the Foreign Ministry had contacted Ambassador Jose del Carmen Ariza to find out the circumstances under which the letter was sent. Del Carmen Ariza has returned to Santo Domingo.

"It's a very delicate matter and deserves careful consideration," a high level official was quoted as saying.

EL SIGLO said officials were concerned that the distance which the letter created between the Dominican

Republic and Caricom, could undermine years of diplomatic efforts by Santo Domingo to foster ties with Caricom in which it has observer status. Officials also saw possible implications for the Dominican Republic in respect of European aid benefits under the Lome Convention and for which the support of Caricom countries is critical.

Fernando Gonzalez Nicolas, president of British Chamber of Commerce of the Dominican Republic, stressed in an EL SIGLO interview the importance of the Dominican Republic having good relations with Caricom. Because of the tendency of Caricom countries to vote as a bloc in international fora, Nicolas Gonzalez said Caricom had "influential clout" in bodies such as the Organisation of American States (OAS), the Inter-American Institute for Cooperation on Agriculture (IICA), and the African, Caribbean, and Pacific (ACP) group. He also said Caricom and the Dominican Republic had many similarities and common interests.

Cuba

Decree Legalizes Possession of Foreign Currency

FL1408133493 Havana Radio Rebelde Network in Spanish 1155 GMT 14 Aug 93

[Decree-Law No. 140 issued by the Council of State and signed by President Fidel Castro Ruz in Havana on 13 August—read by announcer]

[Text] Whereas the conditions of the special period and the economic difficulties that the country is experiencing make new regulations and measures necessary with regard to the possession of freely convertible currency;

Whereas it is advisable to decriminalize the possession of such currency, which moreover contributes in a positive manner to a reduction of the acts that are characterized as infractions and will alleviate and facilitate the work of the police and the courts;

The State Council, exercising the powers conferred upon it by Article 90, Subparagraph C of the Constitution of the Republic, adopts the following Decree-Law No. 140.

Article 1. This revokes Subparagraph A of Paragraph 2 of Article 235 of the existing Criminal Code, which reads: Who maintain in their possession foreign currency or effects in foreign currency denominations in violation of legal provisions.

Article 2. This revokes Subparagraph C of Paragraph 2 of Article 235 of the existing Criminal Code, which reads: Who purchases in commercial establishments in Cuba in person or through the mediation of another person without legal authorization merchandise that is sold only in foreign exchange.

Article 3. Paragraph 2 of Article 240 of the Civil Code is hereby modified to read as follows: Payment of obligations in foreign currency is authorized in the cases and in the manner authorized by law, the government, or provisions of the National Bank of Cuba.

Final provision, sole article: All other provisions of equal or less rank which run contrary to the provisions of this decree-law are hereby revoked. This decree-law will go into effect upon its publication in the official gazette of the Republic.

Done in the Palace of the Revolution

Havana

13 August 1993

Council of State President Fidel Castro Ruz

New Foreign Exchange Provisions

FL1408151493 Havana Radio Rebelde Network in Spanish 1155 GMT 14 Aug 93

[Bulletin issued by the National Bank of Cuba in Havana; no date given]

[Text] In view of the provisions adopted regarding the decriminalization of the possession of freely convertible exchange in the country, the National Bank of Cuba announces:

Individuals residing in Cuba who possess freely convertible currency, or who receive such currency in the future, whether in cash or through bank transfers or other methods of payment, may carry out any of the following transactions freely, whenever they choose:

- a. Exchange the freely convertible currency for foreign exchange certificates.
- b. Open bank accounts in freely convertible currency.
- c. Purchase goods and services in establishments authorized for this purpose.
- d. Exchange the foreign currency for local currency at the preferential exchange rate in effect at the time of the transaction.

Individuals who wish to carry out any of the above-mentioned transactions will not require identification of any kind, except when opening bank accounts, as is customary for the protection of the account holder.

The following are the freely convertible currencies that may be used for the purchase of goods and services in establishments authorized for that purpose: German mark, French franc, Spanish peseta, pound sterling, Canadian dollars, and U.S. dollars. The following will also be accepted freely: Travelers' checks in those currencies, Type "B" Foreign Exchange Certificates, Type "C" Foreign Exchange Certificates, certificates issued by the International Finance Bank, Inc.

Persons who possess freely convertible foreign currencies that are not among those authorized for purchases in establishments may exchange those currencies in banking offices authorized for that purpose. All existing certificates currently being held by individuals residing in Cuba may be used until they are exhausted, including Type "D" Foreign Exchange Certificates.

Here is the list of banking offices that will provide services for opening accounts in freely convertible currencies and that will sell certificates for purchases in authorized establishments:

Havana City: Branches of the National Bank of Cuba: Concha and Fabrica Avenues; Alamar; Villa Panamericana; Guanabacoa; Regla; Linea and M Streets, Vedado; La Rampa, Vedado; Linea and Paseo Streets, Vedado; Orelí and Compotela Avenues; 42d and 29th Streets, Playa; José Martí Airport.

Branches of the People's Savings Bank: Cerro and Arzobispo Avenues; Alliestaran and 29 May Avenues; Alliestaran and 19 May Avenues; Poxa Building; 23d and 8th Streets, Vedado; 5th Avenue and 92d Street, Playa; Monserrate and San Jose Avenues; Juan Delgado and La Crepe, Boyeros; Galiano and Reina Avenues.

In other provinces, the services will be provided in all municipalities.

Need for Foreign Exchange

PA1408141093 Havana Radio Havana Cuba in Spanish 0033 GMT 13 Aug 93

[Roberto Morejon commentary]

[Text] Days after the announcement, Cubans are still commenting on the measures to increase the inflow of foreign exchange, especially the measure concerning the depenalization of the tenure of foreign exchange and the increase in authorizations for family visits to Cuban citizens living abroad. On those hot August nights when the prolonged electricity blackouts do not allow Cubans to use electric fans, they come out to the streets and parks in large numbers to comment on daily matters and to enjoy the breeze. They all talk about the advantages and difficulties of the upcoming application of the decisions that will inevitably create social inequalities between those who will have access to dollars and those who will not have this opportunity.

In the opinion of many Cubans there are enough arguments to consider that these measures are inevitable despite their social cost. Among them, they claim the country must obtain, at any cost, the foreign exchange needed to purchase fuel, food, and medicines. This last item, traditionally guaranteed in Cuba as health standards improved, experienced an accelerated shortage in the past months. It suffices to say that in March 1992 the average number of missing medicines was 230 and today this figure is more than 300. This is coupled with a gradual decrease in the funds available to acquire them abroad or to produce them locally. In fact, the Cuban Government assigned \$132 million in 1989 to import drugs and raw materials to manufacture them locally, but at the close of the first half of 1993 only 16 million were available.

This shortage of funds is particularly critical in a country that has made the entire health services support system a priority since 1959. This is why many Cubans now understand the need to find a way, as long as it is legal, to obtain foreign exchange, even if the cost is that a large segment of the population will be affected by the emergence of inequalities. The goal here is to gradually reduce the use in hospital storerooms and drugstores of the phrase: We do not have any.

Foreign Minister Expresses Satisfaction With U.S. Talks

PA1308214193 Paris AFP in Spanish 1934 GMT 13 Aug 93

[Text] Havana, 13 Aug (AFP)—Cuban Foreign Minister Roberto Robaina today expressed his "satisfaction" with technical discussions currently under way between his government and that of the United States and said that under President William Clinton there is "a better atmosphere" between Havana and Washington.

According to diplomatic sources, the governments are holding technical talks aimed at establishing bilateral cooperation mechanisms for the regulation of uncontrolled migration, the fight against drug trafficking, and the prevention of regional weather-related disasters.

The Cuban foreign minister refused to provide details regarding the topics discussed and progress made at the talks, generically termed "migratory," but said: "We are satisfied with their current course."

Robaina spoke informally with foreign correspondents accredited in Havana upon returning from an official visit to La Paz, Bolivia, and a private visit to Cartagena, Colombia, a trip made by President Fidel Castro in the company of the young foreign minister.

Denying reports that Colombian President Cesar Gaviria or Spanish Prime Minister Felipe Gonzalez would act as "mediators" between Clinton and Castro, Robaina said problems in relations between Cuba and the United States must be discussed, analyzed, and solved bilaterally.

"If it was a matter of mediators, we would prefer to have many," he said ironically.

On internal policy, the foreign minister said Cuba "is undergoing some important economic transformations" which will soon be legally established.

"We are revising the Penal Code," he said as an example and added that they are pursuing "the required solution as quickly as possible."

"How far we are willing to go (in economic reforms) is not yet written down on any little piece of paper," he said jovially.

Cuba once imported over 80 percent of its fuel, raw materials, food, and equipment from the former Soviet Union under favorable trade terms. The disappearance of the Soviet Union and the commercial, economic, and financial embargo maintained by the United States since 1962 against the Castro government are pressuring Cuba's economy, now in its worst condition in 30 years due to the lack of hard currency needed to buy essential imports.

Radio Havana Reports Robaina Comments

FL1408022193 Havana Radio Havana Cuba in Spanish
0000 GMT 14 Aug 93

[From the "News Service" newscast]

[Text] In Havana, Cuban Foreign Minister Roberto Robaina voiced his satisfaction over the technical talks being held between the Cuban and U.S. Governments on various topics. At an informal meeting with foreign correspondents accredited in Havana, Robaina said there is a better climate in relations between Havana and Washington as the result of William Clinton's government.

Robaina said problems between Cuba and the United States should be discussed and settled bilaterally. He denied rumors that Colombian President Cesar Gaviria and Spanish Prime Minister Felipe Gonzalez will be mediators. Asked about internal policy, Robaina said Cuba is going through a period of big economic changes, which will be legally institutionalized in the near future.

Council Calls for Fast at U.S. Mission

FL1308172593 Havana Radio Rebelde Network in Spanish 1705 GMT 13 Aug 93

[Text] This just in: The Cuban Ecumenical Council has called for a prayer and fast in front of the U.S. Interests Section in Havana at 1400 [1800 GMT] on 13 August in response to an appeal from the Dr. Martin Luther King, Jr. Memorial Center.

Correspondent Zenaida Costales obtained the information by telephone from Benito Martinez, spokesman for the Martin Luther King Center:

[Begin recording] [Costales] We know that the Ecumenical Council has already prepared its response to the appeal issued by the Martin Luther King Center that was published in GRANMA this morning. What can you tell us about this?

[Martinez] Yes, Zenaida, the Cuban Ecumenical Council, which comprises a large number of Protestant churches, has prepared an important response to the appeal to the Cuban churches and people made by the Martin Luther King Memorial Center. The Ecumenical Council has scheduled for 1400 today a campaign of fasting and prayer to God for the lives of those on hunger strike in the yellow bus and for the situation prevailing in our country as a result of the U.S. blockade. Beginning at 1400, a small group of people will begin this period of fasting and prayer to God in a tent located close to the U.S. Interests Section. They will later be joined by others who have stated that they will participate. As I said, this will be for the lives of those who have been on a hunger strike in the yellow schoolbus that was detained in Laredo. Their health is extremely delicate at this time. We hope that in the next few hours there will continue to be additional responses from the Cuban churches and

people to the appeal made by the Martin Luther King Memorial Center. [end recording]

Castro Visits 'Vigil' Site

FL1408182393 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Aug 93

[Report by Zenaida Costales]

[Text] In the early morning hours on 14 August, Commander in Chief Fidel Castro visited the pastors of the Cuban Ecumenical Council who are staging a permanent fast and prayer vigil in front of the U.S. Interests Section.

Reverend Raul Suarez, president of the Martin Luther King Memorial Center, reports on Fidel Castro's visit and the main events of the first 24 hours of religious inspiration.

[Begin recording] [Suarez] Last night, I was asleep, and so were the others, some 300 persons who remained here in solidarity with us—I would say keeping guard—when someone woke me and said: Fidel is over there.

Shortly afterward, I saw him here in the tent, accompanied by [Politburo member] Carlos Lage and Felipe Perez [vice president of the University Students Federation]. He congratulated me on the action that we have taken. He also asked about the health of our brothers and sisters in Laredo, and the group in Houston. He asked me for the latest news on that. He also asked about our strategy, what we plan to do here, what objective we are pursuing, etc. The others who are here fasting with me greeted him, and we began a very friendly, very fraternal dialogue.

[Costales] (?What is your objective?)

[Suarez] Our objective is to make this field tent a symbol like that of the yellow bus in Laredo. I would say that in principle, it is our intent to stay here until the situation in Laredo is resolved. [end recording]

Dozens of messages, letters, and signatures, including that of Commander in Chief Fidel, bear testimony to our people's feeling of solidarity with this movement.

Religious Leaders Make Appeal

FL1408023793 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 14 Aug 93

[Text] At 1830 GMT today three Cuban religious leaders began a permanent vigil of fast and prayer in front of the U.S. Interests Section in Cuba. From the religious point of view, this fast represents a act of humbleness before God to ask for the lives of those who have remained on a hunger strike for 15 days inside the school bus detained in Laredo, which was part of the donation of the U.S.-Cuba Caravan of Friendship. The three leaders are Reverend Raul Suarez of the (Evenecer) Church of Marianao, Reverend Juan Ramon de la Paz, second head of the Episcopal Church in Cuba, and Nerva Cot, secretary of Cuba's Ecumenical Council.

The three religious leaders read a declaration in which they ask the U.S. Government to preserve the lives of their brothers. They ask to talk to them and listen to their Christian reasons, and they ask the U.S. to take the necessary steps for their liberation. The declaration also asks for the easing of tensions through dialogue between the two governments with the aim of allowing friendly exchanges between the U.S. and Cuban people. Lastly, they ask for an end to all pressure against all third countries that want to trade with Cuba. The declaration ends with a verse from St. John, which reads: Greater love hath no man than this, that a man lay down his life for his friends.

Other pastors and clergymen who form part of the Cuba's Ecumenical Council will join this act to take turns in the permanent vigil of fast and prayer.

Text of Call for Solidarity

FL1308213993 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Aug 93

[Text] Today, GRANMA newspaper printed a call to believers of all churches, and the people in general. The note was signed by the Dr. Martin Luther King Jr. Memorial Center, the (Juvenecer) Baptist Church, and Pastor Raul Suarez, and reads as follows:

A call to believers, churches, and the people in general:

Moved by the exemplary Christian example of those who, within a small yellow school bus, are risking their lives in an authentic expression of love for their neighbors and solidarity with our people with the purpose of sending the vehicle donated to our church for social work with children and elderly citizens of the community; and in view of the intransigent attitude of U.S. authorities, who refuse to listen to the voices of those who through a hunger strike are protesting the illegal and immoral blockade imposed on our country, as well as the view of the historic churches of the United States and other parts of the world, who have expressed themselves in favor of changes in policies towards Cuba; inspired by the gospel and moved by our Christian faith, we make a fervent call to all churches and believers of all faiths, and to our people in general along with their social and mass organizations, to express their solidarity with the 13 members of the Pastors for Peace ecumenical project of solidarity, who maintain their position in Laredo.

We call on all churches, ecumenical movements, the Ecumenical Council of Cuba, our Catholic brothers, pastors, priests, and clergymen, our brothers from the Afro-Cuban cults, and believers of all faiths to meet and pray for the liberation of our brothers and sisters. We call on our people, the labor unions, the Federation of Cuban Women, the Committees for the Defense of the Revolution, youth organizations, student organizations, infant organizations, and nongovernmental organizations to remember during our assemblies and meetings what the actions of our brothers in the United States represent.

The Dr. Martin Luther King Jr. Memorial Center at 23rd Street No. 9609, between 96th and 98th in Marianao, is willing to receive letters and communications addressed to the Reverend Lucius Walker in demonstration of support by the Cuban people and to forward those letters to him and his comrades.

We make this call with the deep conviction that our people will respond, understanding the value of human solidarity. The gospel according to St. John states: Greater love hath no man than this, that a man lay down his life for his friends.

Balaguer Assesses Possibility of U.S. Armed Attack

FL1308191493 Havana Radio Progreso Network in Spanish 1100 GMT 13 Aug 93

[Excerpts] The following is another excerpt from a Havana Radio Reloj Network interview of Jose Ramon Balaguer, member of the Politburo of the Communist Party of Cuba, on whether the problems we are currently experiencing might be seen as a sign of weakening that would encourage an armed incursion by the United States against our country:

[Begin recording] That possibility always exists. We have always thought that whenever imperialism sees a possibility or an opportunity to try to achieve its goals, and its goals are....[pause] I remember an article that I read in a news dispatch to the effect that the United States intends to make sure there is not a single country in the world that can choose its own path, and the United States feels the path each country should take must be in line with the U.S. criteria of what the world, governments, and democracy should be like, and to what degree the peoples of the world should be subjugated to the United States, its economy, and the imperialist concept of society.

That is the reason we have always developed defense and will never neglect it, despite the current economic difficulties. We have enough weapons and enough strength, and we will never neglect our defense. The war of all the people, the concept and principle of the people's war is a factor that guarantees that we will not be lax at any time and that we will be able to cope, because the possibility [of an armed attack] will always be present. Any day that the United States supposes it can have a walk-over here, it will attack us; as long as it realizes that to come here will never be easy and will cost a great number of lives, it will not attack us. After all, Cuba is not Somalia, Grenada, or Panama. [passage omitted on repetition material]

I believe we are sufficiently prepared from the viewpoint of defense, weaponry—even if not a single additional weapon comes into this country—the preparation of our people, and our current political and ideological strength.

That is why it is important for newsmen, for all the media to understand, to comprehend the situation. We must also remain on the offensive. There is no reason for us to remain passive, just defending ourselves from the aggression, the distortions, and the image of Cuba that others want to portray. We have enough justification and arguments in every respect: the principles on which this revolution is based, what it has done for our people, and from the viewpoint of human rights. No country in the world has done more for human rights than Cuba. [passage omitted on lack of human rights in other countries]

There is no reason for us to have qualms about going continuously on the offensive. Our history and our process have the justification, arguments, and moral force they do precisely because one of the great features of the revolutionary process is that it rescued ethical and moral tenets of society: integrity, honesty, and permanent truth to the people. [passage omitted containing repetitious material] [end recording]

Dominican Republic

President Balaguer Released From Miami Hospital

PA1408232293 Mexico City NOTIMEX in Spanish
2239 GMT 14 Aug 93

[Text] Santo Domingo, 14 Aug (NOTIMEX)—Sources close to Dominican President Joaquin Balaguer reported that the president was released on 14 August from Jackson Memorial Center in Miami where he underwent surgery for thrombophlebitis.

The sources indicated that the 87-year-old president was taken to the residence of Dominican Consul in Miami Guaro Liranzo, where he is recovering satisfactorily. It is not yet known when the president will return to the Dominican Republic.

Haiti

Senate Reportedly Met in Camera on Ratification Process

FL1308184193 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Aug 93

[Excerpts] It should be noted that the leader of the National Christian Haitian Party [PNCH] considers that, because the presidents of the two chambers have already been advised of the choice of Robert Malval [as prime minister], the parliament can ratify the choice as quickly as possible and end the serious sanctions imposed on the country. In the opinion of the PNCH leader, we should avoid any steps that can entail the deepening of the crisis. This is not the opinion of the senators who consider it absolutely necessary to meet with Father Aristide and to discuss this issue with him because the Constitution says: The president of the

Republic must consult the presidents of the two chambers, (?but) he alone does not have the right to choose [his prime minister]. The Senate met in camera on the night of 12 August to work on this ratification process, according to Senate Vice President Serge Joseph, who said the Senate was ready to receive Malval's files today. Joseph added that it is unnecessary for the delegation to travel to Washington to meet with Father Jean-Bertrand Aristide, recalling that the president of the upper chamber had already met with Father Aristide on that issue.

[Begin Joseph recording, in Creole] [passage omitted] So far as I know, to tell the whole truth for the enlightenment of the public, I believe that the president [Sen. Firmin Jean-Louis] had a conversation with the prime minister-designate. I believe that he will hand his papers [to the Senate]. It is not surprising that this may happen tomorrow [13 August] because we have no time to waste. We know that the people, or at least the Republic, cannot wait. [passage omitted] [end recording]

Delegation To Request Aristide's Rationale for Choice

FL1308171793 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Aug 93

[Excerpt] Dr. Antoine Joseph, president of the Haitian Chamber of Deputies, announced on 12 August that he would meet with President Aristide on 14 August in Washington for constitutional consultations on the official designation of a new prime minister. Dr. Joseph told AFP: I fervently hope that the president of the normalized Senate makes the trip, too. Joseph said he would leave Port-au-Prince today, accompanied by six deputies representing all political sensitivities in the chamber. Referring to the unofficial designation of Robert Malval as the future prime minister, the parliamentarian said: I want to hear Father Aristide's explanation of his choice and to state my reservations (?if necessary).

The president of the chamber pointed out that one of the main themes to be discussed with Aristide will be the harmonization of relations between the executive and the legislative. [He said:] I will be back to Port-au-Prince on the afternoon of 15 August and the ratification process of the prime minister-designate will start at the beginning of next week. [passage omitted]

Senate Special Committee To Examine Malval File

FL1308165893 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Aug 93

[Text] The [president of] the Senate of the Republic or the presidents of the two chambers will leave the country today to meet with President Aristide within the scope of consultations aimed at selecting a prime minister to form a government of national concord, under the provisions of the Governors Island agreement.

This morning we received a press release from the Senate of the Republic of Haiti, signed by Ebrane Cadet, to the effect that Senate President Firmin Jean-Louis will meet with the head of state regarding the choice of the prime minister. Jean-Louis will leave the capital today and will be accompanied by Senators Luc Fleurinord, Smith Metellus, Turneb Delpé, and Eudrice Raymond.

In addition, in accordance with Article 157 of the Constitution, a special committee to examine the file of future Prime Minister [Robert Malval] has been set up. It consists of Senators Thomas Eddy Dupiton, president; Jean-Robert Martinez, reporter; and Ebrane Cadet, Turneb Delpé, and Jacques Rony Mondestin, members.

Malval Plans To Dissociate From Preval Management Style

FL1308161993 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Aug 93

[Text] [Unidentified announcer] In a communique published in Washington on 12 August and sent to the HAITIAN PRESS AGENCY, the Ministry of Information of Rene Preval's government-in-exile asserts that a technical assistance mission is necessary as a matter of urgency and for a limited time because no government can or will be able to perform its work as long as a minority continues to set itself above the laws. The Ministry of Information for the Preval government-in-exile thinks that the future government, the Malval government—it is going from val to val—(?should) have at his disposal the means for its policy and everyone's support as soon as it takes office.

[Announcer Adyjeangardy] I do not quite agree because Malval himself does not quite agree. If you refer to a statement made by Malval to AFP, Malval said that he definitely does not intend to imitate Preval. Of course, Malval answered that he had never been so clear about the Preval case. Referring to the Preval government and to his current availability to work with Aristide, Malval explained that if it was the same management style as Preval's that was going to be practiced he would not be able to participate beside Father Aristide. He dissociates himself from the other val [Preval].

Journalist Searched After Advising of Repression

FL1308204393 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Aug 93

[Text] Our correspondent in Jeremie was searched by local authorities after having given Signal FM information about repressive acts reported throughout Grand-Anse, especially in Jeremie and Abricot. The correspondent had mentioned the name of Monique Brigat, a pregnant woman who miscarried during her detention.

Jamaica

Finance Minister Hugh Small Resigns

FL1308164193 Bridgetown CANA in English 1615 GMT 13 Aug 93

[By Garfield Myers]

[Text] Kingston, Jamaica, Aug 13, CANA—Jamaica's Finance Minister Hugh Small has resigned over differences with his cabinet colleagues on how best to handle the country's foreign exchange problems. Prime Minister Percival Patterson announced the resignation in a statement to the press. Patterson said he would assume responsibility for the Ministry of Finance for the time being.

This is pending the holding of a by-election to allow the appointment of current senator and minister without portfolio, Dr. Omar Davies as "a permanent successor" to Small. Under Jamaica law, only an elected member of Parliament can be minister of finance. Patterson's statement said that in the meantime, Davies would be re-assigned as minister without portfolio in the Ministry of Finance with immediate effect.

Giving background to the shock announcement of Small's resignation, Patterson said that at a special meeting on Wednesday the cabinet "recognised a need to re-examine how the (foreign exchange) mechanism has been working...."

"It was felt that this re-examination was urgently needed, in light of government's concern about the depreciation of the exchange rate over the past few weeks and the consequences for the economy, especially the impact on those who can least protect themselves against the adverse effects on the cost of living and the difficulties being faced by the business community in making investment decisions in this environment," Patterson added.

"The minister has now advised by letter that he feels himself unable to provide the leadership necessary for such re-examination and that it would be best done by someone else."

Since a modification of Jamaica's foreign exchange system in June allowing authorised dealers to set their own rates, the Jamaica dollar has slipped steadily against hard currencies from an equivalent of U.S.4.5 cents in the formal system to about 4 cents currently. Prices have surged recently as a direct result of the local currency's depreciation.

Small's response to critics of the June modification has been that the system needed time to work. But many in the business and financial sector have complained that inflows of hard currency have not increased since June and foreign exchange speculation and black market activity have spiralled.

Small, in his resignation letter dated August 12, told Patterson that there "has been too much uncertainty and delay during the past four weeks while we debated the new policy measures which were announced in my budget speech in June."

"This uncertainty adds to the factors which affect the exchange market and the business climate," Small said.

Small said he could not agree with the majority thinking of the cabinet that (a) the foreign exchange system should be re-examined; (b) that there should be a limited range within which the exchange rate should move; (c) that there should be a return to the publication of daily rates at which individual banks trade; and (d) that there should be dialogue between government, bankers and foreign exchange earners on the operation of the system.

"I am convinced that there are inherent difficulties between the above four points and the commitment to a market-determined rate which the cabinet has restated.

"The leadership which is necessary to manage the re-examination which the cabinet has ordered should have no reservations about the issues on which there is consensus. I cannot provide that leadership," Small said.

"We have passed through difficult times," Small told Patterson, "but, we must follow the dictates of our policy commitments consistently if we are to reap the benefits which will come from an export-driven economy."

It was not immediately clear whether Small plans to resign as a Member of Parliament nor how or when an attempt would be made to have Davies elected to Parliament. The government and the opposition Jamaica Labour Party have established an understanding that there will be no elections pending a reorganisation of Jamaica's electoral system.

The consensus followed the controversial March 30 election which was marred by thuggery and fraud in some mainly urban communities. In June Parliament passed an act postponing local government elections, originally scheduled for this year, until June next year to allow time for the restructuring of the system.

Jamaica's Electoral Advisory Committee (EAC), which manages elections here, has only recently been reconstituted following the controversial March 30 election and the post of director of elections is currently vacant.

President Salinas Gives Speech on NAFTA

PA1308203993 Mexico City Canal 13 Television Azteca Network in Spanish 1903 GMT 13 Aug 93

[Speech by Mexican President Carlos Salinas de Gortari at Los Pinos presidential residence in Mexico City—live]

[Text] Fellow Mexicans, on the afternoon of 12 August the negotiation of the so-called parallel agreements concluded. These agreements pertain to ecological and labor issues with the United States and Canada and they will be added to the free trade agreement signed by the three governments in December 1992. With these agreements we are taking a new and important step toward building the largest free trade zone in the world and toward creating new opportunities, which is what matters the most to the Mexican people.

We are thus improving our prospects for greater economic growth, attracting a greater amount of direct investments, and, especially, generating more jobs and increasing our productivity.

We will thereby establish the foundations for the sustained recovery of salaries and well-being. The contents of the parallel agreements fully adhere to the principles and guidelines established in our Constitution and our government's policies. First, they fully respect Mexico's sovereignty; second, they are fully compatible with the North American Free Trade Agreement [NAFTA]; and third, they are not covert sources of new forms of protectionism.

We reached these international agreements, which are mandated by our laws, which seek the well-being of Mexicans. Therefore, it is our duty to fulfill them. We also established cooperation mechanisms involving these issues, which will promote goals that are already established in our internal laws.

The first agreement, which deals with environmental cooperation, seeks to foster the protection of ecological improvements, sustainable development in the three countries, the well-being of our people, increase trilateral cooperation in this area, and effectively implement each country's environmental laws in their respective areas.

The agreement explicitly confirms that the right to establish and apply environmental laws is the exclusive competence of each nation and in no case does it permit the extraterritorial implementation of laws nor the verification of laws by foreign organizations. Also established is the agreement's compatibility with NAFTA; it contains no clauses whatsoever that would harm our market openings.

The environmental agreement forces the governments involved to strictly implement their laws and, as the case may be, to voluntarily settle disputes or punish violations. It also forces them to issue reports, develop environmental contingency plans, promote education and research, and evaluate environmental deterioration

when it is pertinent to do so. It also forces the sides, as I said, to maintain open, fair, and equitable procedures for the implementation of environmental laws.

To administer the agreement we have created a tripartite commission that will promote cooperation and exchange, and facilitate the settling of disputes through panels of experts.

The agreement on labor cooperation seeks to contribute to the well-being of workers in the three countries by promoting the effective implementation of each law and the exchange of information, and by increasing productivity, quality, and innovations. The efficiency of our laws and the implementation of judicial decisions is the exclusive competence of each government in its territory, as our principles of sovereignty demand.

We are committing ourselves to adopt domestic measures, such as the creation of mixed exceptions and commissions, and other measures lawfully established, to promote compliance.

Likewise, a tripartite commission has been established to exchange labor information, make consultations, and resolve differences because of nonsystematic implementation of similar laws in enterprises trading goods between the three countries.

The agreement fully satisfies the requirements Mexico had presented from the beginning, especially that of foreign nonintervention in domestic labor affairs.

Likewise, a financing fund has been established in the framework of the agreement's negotiations to improve border infrastructures aimed at responding in a timely manner to pressing situations in that area of our countries.

These agreements effectively promote the Mexicans' well-being while complying with our Constitution and our laws. They support what we Mexicans want: the creation of more jobs, clean and better-paying jobs, fully respecting our sovereignty.

Closer now to the creation of a free trade zone in North America, we can foresee the better future and the new benefits Mexico will have.

We are committed to increasing job opportunities and to continuously improving the income of the people. This is why the domestic struggle against inflation as well as the structural changes that assure that the efforts of the Mexicans will not be in vain but will provide advantages for everybody for many years, have been so important.

You know, of course, that the government took on these commitments as a priority. They have been the main objective of our economic modernization effort. The results, the facts, are very encouraging. Annual inflation is under 10 percent. This is why productivity and average salaries are no longer stagnant, but have been increasing year after year.

Of course, as I have admitted on various occasions, these have been increases that started from the deteriorated levels resulting from the crisis of the past decade.

Our commitment is to maintain the improvement trend with the basis on solid production grounds that may continually sustain improved salaries.

We are prepared to protect jobs, to create new jobs, and to improve salaries despite the fact that a low international economic growth does not contribute to this.

Now, that there is more certainty, it is possible that the interest rate drop of the last quarter will be consolidated with the signing of these agreements. This will encourage economic activity in the country.

This is why the treaty we have signed and the agreements we have concluded will allow us to grow more and to advance toward our goals: to have the benefits of this change reach all the people, especially the families of the more needy Mexicans.

This is why we have made efforts to create jobs and to improve salaries, especially the minimum salary.

We must make certain that minimum salaries are increased with basis on increased productivity. I announced this on 1 May. To achieve this, we must give it legal strength. This is why I have ordered the labor secretary to present to the Minimum Salary National Commission a resolution establishing that real minimum salaries will increase in direct proportion to the average increase of the national economic productivity.

By doing this, we will be assuring an effective and constant improving of minimum salaries now and in the future.

Mexicans, these agreements are true initiators that undoubtedly will serve as guidelines for future trade relations with other regions and at the world level.

They are yet another objective we had set out, and today, with the effort of all, it has been accomplished. An important step forward is taken with the ratification of the Free Trade Agreement in the respective legislative bodies. They will bear the historical responsibility of consolidating this new period of relations between our countries.

I want to point out that the most significant part of the moment we are experiencing is that the governments of the three countries have concluded totally and definitively our negotiations.

I have spoken to U.S. President Clinton and Canadian Prime Minister Campbell. The three of us have shared our enthusiasm over the positive conclusion of the NAFTA Parallel Agreements. We have pledged to devote our political efforts to culminate successfully the final period of the treaty.

Today, compatriots, we have concluded a negotiation that many people thought was impossible; others worked to make it impossible, except for a group of responsible and dedicated Mexicans, understanding the feelings and opinion of society, they made it a reality. Several talented public officials, union and business leaders, rural leaders, specialists, treaty experts, and attorneys were in this group, a group led by Jaime Serra, commerce and industrial development secretary. They wanted to contribute their share and never gave up hope. They carried out the negotiations keeping in mind the basic established principles demanded by the national interest. That is why we are gathered here today. We are here to share what is already a reality or a step forward in building the additional instrument to promote our growth, namely the NAFTA.

Mexicans have clearly demonstrated, against all odds, that when we attempt to do something, we are capable of achieving it, that when we are together, we progress. The future perspectives are good. As always, this will depend on Mexicans' internal efforts; therefore, we will redouble our internal efforts, because no one will do for Mexico what we would not do for our country.

Fellow Mexicans, let's move forward. New challenges will come in our way, and we will turn them into opportunities for the welfare of our children and pride of our nation. Thank you very much. [applause]

Commerce Secretary Comments

PA1408022993 Mexico City NOTIMEX in Spanish
2332 GMT 13 Aug 93

[Excerpt] Mexico City, 13 Aug (NOTIMEX)—Today the Governments of Canada, the United States, and Mexico simultaneously announced the conclusion of parallel agreements on ecological and labor issues, prompting the timely implementation of the North American Free Trade Agreement [NAFTA]. This morning, Canadian International Trade Minister Tom Hockin, Mexican Commerce Secretary Jaime Serra Puche, and U.S. Trade Representative Mickey Kantor reported that they reached the parallel agreements. The announcements were made in the capitals of their respective countries.

The simultaneous announcement triggered positive reactions in the U.S. and Mexican financial markets. The stock of the privately owned Telefonos de Mexico spiraled upwards this morning on the New York Stock Exchange, where it gained \$2, 4.0 percent, closing at \$52 at the end of the day. Mexico's main stock was up by 3.48 percent this morning, gaining 61.81 points, with a volume of 1,840.77 units. [unidades; sentence as received]

The three governments expressed satisfaction with the agreements reached on the night of 12 August, agreements that exclude safeguards with supranational jurisdiction and establish a firm protection of the environment, and an improvement in labor conditions.

Serra Puche stressed Mexico's rejection of the possibility that Canada and the United States could take Mexico to trial in its own courts for any possible violations of the parallel agreements. "Mexico stressed, and the three parties agreed on this, that no country or trinational organization will file a suit against Mexico in our own courts," he emphasized. "It must be made particularly clear that this is one of the most important aspects of this negotiation and that it was a firm Mexican position in the process of negotiations," Serra Puche noted.

The Mexican secretary added: "The result of these negotiations is very favorable for Mexico because it will improve the workers' standard of living and provide for a better environment in the future."

The three governments vowed to fulfill the agreements in accordance with their own laws, Serra Pucha said, adding that the agreements will become effective with NAFTA on 1 January 1994.

Serra Puche said that in "six months of intense negotiations" they reached "four agreements," two for each of the two topics. He stated that these agreements guarantee the right that each country has to establish its own measures of environmental protection. The official disclosed that the agreement on environmental cooperation includes mechanisms that are "just, balanced, and institutional" for cooperation and verification to resolve any disputes or differences on that matter. The agreement on labor cooperation also includes mechanisms to resolve disputes justly and wisely.

He pointed out that the agreements permit the incorporation of "other countries" and the establishment of commissions of environmental cooperation to solve controversies and decide on the punishment that is to be applied. With the labor agreement, the three parties intend to attain general objectives to complement the treaty with the improvement of life in the three countries in question, he said. Mutual prosperity in the three countries, Serra Puche remarked, "depends on fair competition and levels of growth in production and quality." The labor agreement contemplates the promotion of labor principles, including the right to form unions and to strike, as well as the prohibition of forced labor, child labor, and sex discrimination. It also includes establishment of minimum norms for employment and compensation.

Serra Puche maintained that the negotiations produced a text that is "absolutely consistent" with the three principles established by President Carlos Salinas de Gortari for the negotiation of the two parallel topics to the commercial treaty. These three principles are absolute respect for Mexican sovereignty, the preservation of the basic agreement, and the provision that the agreements must not become mechanisms for "unjustified" protectionism. "These three principles have been duly fulfilled as a result of the negotiations," Serra Puche emphasized.

He noted that, this month, the three countries will "polish the legal aspects of the texts so that the agreements can be signed by the three governments in early September."

President Salinas has instructed Serra Puche to inform the Senate about the results of the negotiations. The commerce secretary will do that on Wednesday. [passage omitted]

Business, Labor Sectors React to Accord

PA1408035093 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 13 Aug 93

[From the "Early News" program]

[Text] Mexico's labor and management sectors have expressed support for the Mexican negotiator's position against any parallel agreement that violates Mexican sovereignty.

Luis German Carcova, president of the Business Coordinating Council, said:

[Begin Carcova recording] The talks are evidently at a delicate point, but we have confidence in our negotiators and hope an adequate solution will be found for Mexico and for everyone so the agreement can succeed. [end recording]

Mario Suarez Garcia, secretary general of the Revolutionary Confederation of Workers, also commented on the situation.

[Begin Suarez recording] You must understand that an agreement of this magnitude is not that simple. Every detail such as trade, each country's legislation and so forth must be considered and we are doing that. Therefore, there is no reason why we should not see (?positive) results. [end recording]

The country's production sectors spoke against reopening of the North American Free Trade Agreement [NAFTA] negotiations and protectionism by the United States and Canada, and called for respect for Mexico's sovereignty. Businessmen and workers said that Mexico is flexible and economically stable enough to cope if NAFTA is not signed.

*** PRI Electoral Reform Proposals Examined**

*** Point-by-Point Critique**

93CA0174A Mexico City LA JORNADA in Spanish 9 Jul 93 p 12

[Commentary by National Autonomous University of Mexico political scientist Luis Javier Garrido: "The Second Amending"]

[Text] The Salinas administration's proposed second amendment to political-electoral legislation seeks not to pave the way for democracy but rather to subordinate

PAN [National Action Party] (and the PRD [Party of the Democratic Revolution]) in the 1994 elections so that by voting for the changes they will, whether they like it or not, ratify the fraudulent organization of the process.

1. If the official propaganda is to be believed, Mexico ought to have one of the most democratic electoral legislations in the world, inasmuch as since 1946, the year that the State Party became PRI, this legislation has been amended once or twice per six-year term amid warmly approving "analyses" by editorialists and commentators who support the ruling party and who speak of the increasingly greater democratic guarantees that Mexican citizens enjoy. The facts, however, are quite different. Mexico has one of the most perverse electoral systems that the 20th century has ever seen, and particularly during the Carlos Salinas de Gortari years the State machinery for election fraud has become increasingly sophisticated, for the sole purpose of preventing citizens from freely electing their government officials. What is happening now clearly brings this out once again.

2. Amid the scandals prompted by the Salinas regime's large-scale frauds in the gubernatorial elections in Mexico State and Nayarit on 4 July, Fernando Ortiz Arana, the president of PRI, announced the regime's second political-electoral proposal so far this six-year term. This is hypocrisy, as if the regime's officials and the members of his party had nothing to do with the thousands of violations that have been committed over the past four years to impose the candidates of Los Pinos [official presidential residence] and that were evidenced once more this past Sunday. The limited PRI-Salinas proposal for 1993 is not at all surprising, however, because after the administration agreed last year that, in order to set the stage for the 1994 elections it had to respond to civic dissatisfaction and to the demands of the parties, it was expected to make minor concessions to PAN and the PRD, but without touching the essential elements of the mechanisms that create the conditions for fraud. This is what has happened. The new electoral "reform" is very inadequate: it addresses various political aspects of the regime but not the one that is the cause of the controversy: cleanly organized elections.

3. PRI's (and the regime's) second proposal arrives amid panic in the ruling party, given the criticism of the regime in the United States and the possible defeat of the FTA; this is merely a repeat of the scenario in 1989. In the first place, it is a response to the PAN/PRD understanding, the overriding fear of the Salinas years being the joint action of the two opposition forces, which it seeks to divide while reorganizing the fragile PAN-Salinas alliance of 1989, which broke up amid the glaring fraud in the 1991 federal elections. Salinas' game is once again as obvious as can be, as he trusts that his propaganda weapon can make people believe that changes are taking place: PRI proposes unsubstantial modifications to force PAN and the PRD to "negotiate," offers a second proposal with concessions, and then forces them to approve the amendments (and to forgo the possibility of

denouncing the reformed Cofipe [Federal Code of Electoral Institutions and Procedures] in 1994). The 1993 PRI-Salinas proposal takes no serious step, however, to foster Mexico's transition to democracy, that is to say, the dismantling of the State Party apparatus, which the government has, for that matter, taken action to strengthen, and it is highly unlikely that the opposition lawmakers will take the bait, not even out of party discipline.

4. The government's new 1993 proposal does not meet the citizenry's essential demand that clean elections be guaranteed, because, as in its first version, it does not address the substantive aspects of the electoral process. Of the eight points in the purportedly "electoral" amendment, four have absolutely nothing to do with elections, as three concern the makeup of the legislative chambers (the "governability" clause in the Chamber of Deputies, the ceiling on the representation of a party in that chamber, and the new composition of the Senate), and one refers to the bylaws of political parties: audits of their expenditures. The other four, meanwhile, which presumably would address the heart of the matter, do not, and merely treat secondary issues: the creation of a statute for observers (who are subordinated to the government), expanding the possibilities (which already exist) for screening the list of voters, setting a ceiling on campaign spending (which does not affect State extravagance), and the creation of an administrative electoral-dispute resolution body under Los Pinos (instead of a political body) to certify the elections. In other words, steps backward instead of forward. The organization of elections would, of course, remain in the hands of the government, and from the preparation to the certification of elections the conditions that make fraud possible would persist, in the style to which the Salinas administration has accustomed us.

5. The proposed new composition of the legislative chambers, in turn, bears no relationship to the credibility of electoral processes and seems to be merely bait for the parties. The creation of a third senator per state, as it indicates, runs counter to the constitution, for example, because under it the senators represent states, not parties. A pluralistic Senate would be consolidated if the elections were clean, and there would be no need to resort to this obsolete system of "party" senators similar to the one that the Lopez-Mateos administration created for the deputies in 1963 and that has merely spawned a more burdensome, more expensive bureaucracy for the Federal Government.

6. The move to strike the "governability clause" in the lower house (making the party with the most votes the majority party with 35 percent of the votes), which seems to be Salinas' most spectacular concession and which is designed in particular to make an impact overseas, is not of the slightest importance at this juncture. The clause was established six years ago, as we know, when the De la Madrid administration's "alchemy" techniques were

starting to fail and there was extreme fear of the opposition. The current administration, however, has developed the State's machinery for fraud in a remarkable way ("electoral engineering"), and this today is the real "governability clause": the one that allows the regime to determine the percentages of the parties. In Mexico State, for example, the Salinas administration took the luxury of having the election return numbers ready two weeks before the voting (LA JORNADA, 6 July 1993).

7. The plan to limit a party to no more than 65 percent of the deputy seats seems designed, in a word, to consolidate the State Party "system," which is based on "parastate" groups, the PFCRN [Party of the Cardenist Front for National Reconstruction], the PARM [Authentic Party of the Mexican Revolution], the PPS [Popular Socialist Party], the PEM [Mexican Ecological Party], and the PT [Labor Party]. It is further bait for these "bonsai" parties, which do not grow, are purely decorative, and survive at the government's whim.

8. The point regarding ceilings on campaign spending could make sense, of course, if it were a serious attempt to regulate the public and private, direct and indirect, methods of party financing, instead of just demagoguery on the issue. For months now, however, PRI and Salinas have been passing "the tray" around to businessmen, thus showing that they have no intention of making such an attempt, and the evidence is strong. What credibility could a legal reform in this regard ever have when, for example, Televisa is already spending money lavishly with an eye towards 1994? What credibility could the Salinas administration have when EL NACIONAL and Television Azteca are already in the thick of the campaign? What sense does this proposal make when the regime's publicity is designed to keep the mass media politically subordinate to the government?

9. The abolition of the Electoral College as the body that certifies the elections, under the terms in which this is being proposed, would represent a grave step backwards in the nation's public life, moreover. PRI's proposal in this regard seems to be nothing more than a consequence of Carlos Salinas' personal trauma, as the illegitimacy of his rule was made evident above all in the two Electoral College sessions in 1988, when PRI was unable to prove that he won and refused to open the electoral packets. Eliminating the political election-disputes resolution body (the certification of the process by the deputies themselves) might make sense if it were replaced by a juridical body, that is to say, a true judicial (not administrative) tribunal. But this is not the case. Under the Mexican "system" there is not, of course, a real Judiciary, and the Federal Electoral Tribunal (TFE) never purported to be one; it is merely an administrative body, subordinate to the Executive Branch. Thus, the elections would no longer be certified by "the PRI majority" (albeit in an open process, with the right to public challenges, and in a forum before the nation), but rather by obscure attorneys subordinate to Los Pinos (in a semiclandestine process), the same individuals who in

1991 gave evidence of their lack of honesty and independence. Candidates deprived of legitimate victory and political parties would thus lose one last right: the right to present their arguments in public.

10. Electoral laws are, obviously, of secondary importance as part of the fundamental problem of fraudulently organized elections. The prevailing political system, not laws, is the crux of the matter. Under the worst electoral legislation but with a democratic political will the country would have clean elections; with exemplary legislation but without a democratic political will fraud will persist. And in Mexico today there are neither good laws nor democratic will, just a manipulative "system."

The second political-electoral amendment of the six-year term that PRI and Salinas have proposed is merely one more piece of evidence that the ruling group has no desire for democracy and that democratic change will have to come in Mexico in spite of the laws that this government has so perverted and trampled.

* Additional Changes Urged

93CA0174B Mexico City EXCELSIOR in Spanish
 10 Jul 93 pp 7-A, 8-A

[Commentary by Julio Faesler, Director of the Council for Democracy: "An Independent IFE; Response to a Demand"]

[Text] The eight-point electoral reform that the president of PRI announced on Wednesday, 7 July lays the groundwork for a political opening whose scope would be as significant as the one that the government has already implemented in the economy. In a few days the Chamber of Deputies will have a chance to make adjustments in these proposals and to complement them with the two or three additional points that are also needed.

If this can be achieved, the demands that seven civic groups that gathered in Cocoyoc made concerning the key elements for trustworthy elections will have been completely met. Election reform must thus include, in the constitution: respect for the vote as an individual guarantee; the elimination of the Electoral Colleges, and the autonomy of the Federal Electoral Tribunal.

In the code: voter lists that are continuously reviewed by the parties and the citizenry; the presentation, without interference, of the credentials with photograph, a public vote count, and the immediate announcement of the results; transparency in party financing and limits on campaign spending; fair political reporting in the mass media, and finally, simple and effective legal remedies in the case of electoral disputes.

A few days after the announcement of the consensus stand among the civic organizations, PRI submitted proposals to simplify procedures at voting booths and in the area of challenges before the Electoral Tribunal. It also agreed to some insubstantial involvement of citizens in preparing the voter lists and proposed checks and

controls, which are certainly inadmissible, for the polls and surveys on electoral trends and results. Finally, it suggested a most counterproductive arrangement for national observers.

The ruling party's trial balloon did its job. It triggered reactions from the other parties and from other civic associations, which rejected the proposals as inappropriate.

PRI has now put forth a formidable array of proposals. In responding constructively to the repeated demands of the citizenry, it is spurring an advance that, if implemented cleanly and without hidden cards, charts a course straight to electoral credibility and legitimate federal authorities.

The little that is missing from the PRI proposal is, however, of paramount importance and will have to be introduced during the special session of the Chamber of Deputies that is about to open. PRI has already stated what it is going to accept. This should not be construed as stubborn inflexibility, however. Demands by other parties will have to be incorporated.

In this regard, Article 82 of the constitution will have to be modified to give equal opportunity to all Mexicans who would like to be president of the republic and, moreover, to enable Mexicans residing overseas to vote, as do citizens of other countries at their consulates when they are abroad.

The lawmakers will also have to deal with the matter of giving the public prompt information on election trends and results. Room will also have to be made, as in any democratically advanced country, for national and foreign observers of our elections.

The most important issue, however, one that awaits intelligent, far-sighted negotiations, has to do with the composition of the bodies of the Federal Electoral Institute (IFE), in which the representatives of the citizenry must be in the majority. The IFE, which is responsible for seeing to it that elections are impartial, must be dissociated from the Interior Secretariat in the same way that the Bank of Mexico, which keeps the country's monetary equilibrium, has been dissociated from the Finance Secretariat. With an independent IFE and with full powers for the Electoral Tribunal, Mexico would finally have authorities of irreproachable legitimacy.

PRI's proposal makes possible progress towards a definitive resolution of this issue. The few missing elements, each as critical as the next, are also indispensable for whatever reform emerges. Nothing must be left pending. It will be very difficult to mend this legislation again, when we are in the thick of the electoral process.

Now is the time. We expect no less of our representatives in the current legislature, which promises to be the most important in Mexico's modern political history.

* Intellectuals Urge Drug Legalization

* Need for Debate Cited

93CA0169A Mexico City UNOMASUNO in Spanish
12 Jun 93 pp 1, 7

[Jaime Sanchez Susarrey commentary: "Let's Debate Legalization"]

[Text] The capture of "El Chapo" constitutes the beginning and end of the inquiry by the Office of Attorney General of the Republic (PGR). Guzman's statements confirm the initial account of the events of 24 May: the cardinal's murder was due to mistaken identity.

Without doubt "El Chapo" was the key to confirming or disproving the account that Jorge Carpizo had given. The Arellano Felix brothers, the masterminds of the shoot-out, are still at large; the arrested man's testimony may shed light on countless details.

This development was vital to the attorney general. He had committed himself personally to the explanation of mistaken identity, which he had defended as the only valid one.

After the detailed picture of the status of the PGR that Carpizo drew on 2 March, the attorney general became the only authority in whom public opinion could trust. It would have been unfortunate for everyone had he lost his credibility.

Everyone knows about infiltration and the leagues that exist between Judicial Police agents and drug traffickers. The enemy is inside the house. Combating him will not be easy. The attorney general is walking a knife's edge.

It should be noted that all political parties, in particular the PRD [Party of the Democratic Revolution], PAN [National Action Party], and PRI [Institutional Revolutionary Party], decided to close ranks around Carpizo. They said as much this past Wednesday, 9 June.

This is a positive sign in our politics. It would be a mistake to politicize the issue and turn it into a tool for partisan confrontation. The battle against drug trafficking has become a national security issue.

The responsible behavior that the parties demonstrated contrasts with the way in which some columnists conducted themselves. There were those who compared the attorney general to the ill-famed Senator McCarthy, who started a witch hunt in the United States in the 1950's.

Carpizo is no angel. There will always be mistakes to point to. But it cannot be denied that he is risking his prestige and his personal safety with admirable, exemplary courage. The future of the rule of law depends largely on his actions.

Developments will take a new turn with the arrest of "El Chapo." He knows the officials who are involved in drug

trafficking. If the attorney general keeps his word, and there is no reason to doubt him, the investigations will bring true surprises.

According to some estimates, drug deals in 1992 totaled between \$200 billion and \$500 billion. One would have to be naive to believe that such torrents of money circulate only among officials of the second rank and gunmen of the first.

It is an elementary assumption that figures of the highest level, both in the world of politics and in the world of business, are involved in drug trafficking.

But above and beyond the course of the investigations, the issue of drug trafficking demands an objective analysis. This is the proper time to begin a national (and international) debate on the problem.

Accordingly, the first point that must be made is that the drug economy has become uncontrollable. The amounts of money that are involved are capable of corrupting even the Little Sisters of Charity.

There seems no way to halt this phenomenon, and if there is no way to halt corruption, it will not be possible to halt the trafficking and consumption of narcotics either.

Prohibition has not achieved its goal: limiting and halting consumption. But it has had an altogether unintended consequence: it has corrupted institutions and individuals.

The key, then, is to begin discussions on the possible legalization of drugs. There are questions to be asked about the prohibition of alcohol in the United States in the 1920's. What effects did it actually have? What happened when it was legalized? What difference is there between using drugs and drinking alcohol?

All of these questions demand an answer, and to this end a serious, well documented discussion must begin. It would be absurd to wait for the government to take the lead. There are many nongovernmental organizations that could call for such a debate.

As regards the issue of drug trafficking, the future is upon us. There is no time to waste.

* 'Colombianization' Seen

93CA0169B Mexico City UNOMASUNO in Spanish
18 Jun 93 pp 1, 7

[Arnaldo Cordova commentary: "A Mistaken Fight"]

[Text] The U.S. Government is unquestionably the one that determines every aspect of the battle against drug trafficking and consumption throughout the world and, in particular, in Latin America, and as the experts on the issue have almost without exception indicated, its strategy is completely mistaken. The proof is the fact that after a more than 10-year battle, drug trafficking and use in the United States has increased severalfold.

Pedro Enrique Armendares has compiled evidence of this in an excellent feature report that ran in LA JORNADA from the 12th to the 15th of this month. Ronald Reagan decided to declare war on drugs in 1982, but with an approach to the problem that made it altogether unworkable and fruitless. The war was not going to be fought, because it was impossible according to him, in centers of consumption in the United States itself, but rather by attacking its sources (also according to him), the places where narcotics are produced. "Dead dogs do not bite," do they? Ten years later, U.S. authorities have to realize that not only did the dog not die but that it has bred ad infinitum, while the disease spreads everywhere.

At the time many scholars suggested that the best solution to the problem was to legalize drug use. They based their argument mainly on what happened in 1933, when the Roosevelt administration ended the prohibition on the production, sale, and consumption of alcoholic beverages. Crime in this industry ended, and the underworld had to switch businesses. It was then discovered that alcoholism did not increase significantly, as it had, in fact, during the years of clandestine consumption. It later began declining for a while, and most importantly, the crime that had flourished around it disappeared almost altogether. Many other specialists, some of whom were not in favor of legalization, felt from the beginning that the strategy was mistaken and would have terrible consequences unless the distribution and use of drugs in the United States itself were attacked. The purported destruction of the sources would never put an end to the problem. The drug-trafficking networks had to be destroyed at the sites of distribution to users, which was truly impossible since there are tens of millions of drug addicts; most importantly, drug users had to be given help through a system of low-cost medical care, which is almost nonexistent in the United States. The government's decision (to attack the production centers), they warned, would only aggravate the problem to the point of making it uncontrollable. This is exactly what has happened. The federal funds for the war on drug trafficking in that country have turned out to be sizable yet always inadequate, because their aim has been to crack down on, not prevent, crime. There are more drug addicts today than 10 years ago.

Our neighbors to the north account for 60 percent of the worldwide consumption of narcotics. Production has almost doubled over these 10 years, but so has consumption. It is a never-ending story. The crackdown on production and trafficking outside the United States has had striking successes, but is powerless to do away with them. A third of the drugs are destroyed before they arrive on the U.S. market, but the remaining two-thirds continue to expand and reach consumers on the streets or in dens of vice in the United States. The production capacity in the countries where the drugs originate seems infinite; no matter how successful interdiction and destruction operations are, increasing quantities of narcotics always make it to consumption centers. A little

more than 400 tons of cocaine were produced worldwide in 1982, and 80 percent entered the United States. Today, more than 800 tons are produced, and some 250 are destroyed en route. The bottom line is negative. So much so that cocaine today is purer, more available, and less expensive in its centers of consumption, and the flood of drugs has become even more copious. The capital circulating in the drug business in the United States alone is estimated at some \$700 billion (which is much larger than that country's foreign debt). One can imagine the power that drug trafficking has amassed among our neighbors. Mexican drug traffickers alone control more than \$100 billion. They receive only the crumbs from transporting and marketing the drugs (aside from producing marijuana and heroin, of course, having displaced the countries of the so-called "Golden Triangle," Burma, Thailand, and Laos, in bringing heroin into the United States). But what crumbs! We could pay off our foreign debt with them.

Not just the United States has paid the price for the Reagan strategy of combating drugs; the producing countries or the countries through which the drugs pass on their way to the United States have paid a particularly high price too. Under the so-called Andean Initiative alone, which was signed by the governments of the United States, Peru, Bolivia, and Colombia for purely repressive purposes, \$2.1 billion has been spent, according to Senator Joseph Biden, whom Armendaris quotes, without reducing the amount of drugs produced and shipped to the United States, an amount that has, in fact, expanded at a terrifying rate. The consequences of this absurd strategy have been even more grave for the producing countries and the ones that are usually called the gateways for drugs to enter the United States, the foremost among which is ours, which possesses both distinctions. Conservative estimates are that more than two-thirds of the narcotics that are later consumed in the United States pass through Mexico: cocaine from South America, Colombian "gold" marijuana, Mexican marijuana, Mexican heroin, and even heroin from the "Golden Triangle," the transport of which Mexican drug dealers are now monopolizing. The Reagan strategy, which we and the other Latin Americans accepted from the beginning, could be put into practice only if our countries were involved. Otherwise, the only alternative would be Panama-style military interventions. Our countries could well have said no to such interference and let the Americans get stuck alone in the quagmire that they themselves had created. Instead, solicitous as always, we plunged into the morass up to our necks, seemingly without calculating the consequences that the whole business would bring us.

Bolivia and Peru were promised hundreds of millions of dollars to get their Indians out of coca production and into productive programs. Bolivia received only \$87 million (for 200,000 peasants), and Peru just \$67 million. Mexico was sent just a few dozen DEA [Drug Enforcement Administration] agents and was called on to get rid of its drug traffickers with its own resources

and to crack down on its peasants who were producing narcotics. Mexico did neither. For 10 years now, with the exception of the interludes that brought the death of DEA agent "Kike" Camarena and now the assassination of Cardinal Posadas Ocampo, the drug traffickers have feathered their nests. After massacring each other in Sinaloa until they almost disappeared, they moved to Guadalajara and Tijuana, branched out with hundreds of new groups throughout the country, and prospered without anyone touching them. They flooded the United States with drugs, corrupted our police, judicial, and political authorities, worked their way into the business community, which gladly agreed to launder their ill-gotten gains, and saw their economic might expand to a degree that we now find simply horrifying. In fact, until Carpizo arrived in the PGR, Mexico did very little to crack down on its drug traffickers. Everywhere they became an essential part of our business circles, as if nothing had happened. The fact that they had corrupted policemen, judges, and politicians was just a minor element in their operations. The major one, which is just now being investigated, was to involve themselves in the country's economic life to an extent that is known to none of us. One newsman has advanced the hypothesis that if the sewer of private business were uncovered in this area, we would need the Pied Piper of Hamelin to clean it up. It is perhaps to this that we owe in part the slow yet very significant recovery that we have undergone in recent years. Who knows? I do not think so, but there must be something to it.

Nevertheless, as with the other Latin American countries, our struggle on Washington's account against drug trafficking has been extremely costly and painful. According to official figures, we have more than 80,000 people in jail for this crime (an absolute majority of them simple peasants who plant the drugs, many of them Indians); hundreds of policemen and military personnel have died confronting the violence of the traffickers; many more innocent people have been killed or wounded in the shoot-outs; our rural communities are falling apart morally and physically, assaulted by an exasperating, maddening poverty from which there is no way out; crime is spreading like wildfire all over the country, hitting us all; the government has to devote more and more resources (of which it is always short) to combat the incurable cancer of crime. In this latter regard alone we should recall once again that the government earmarks close to one-third of its defense budget, one-fourth of its military troops, and 60 percent of the PGR budget for the battle against drug trafficking. This is an endless struggle whose results are always minuscule or partial. It is no improvement when kingpins fall into the hands of the justice system. Caro Quintero, "Don Neto," and Felix Gallardo fell, and new kingpins emerged, bearing names that, like "El Chapo" Guzman, were completely unknown to us until very recently. It will continue to be this way, and we will never really be able to halt drug trafficking.

Once again the crucial question: Why not legalize the use of drugs? During his recent trip to the United States

President Salinas did not come out openly against such a move. He asked only that it be given lengthy consideration. He called on the United States to reduce the profitability of the illegal business but proposed nothing in this connection, leaving us all with the impression that ultimately he did not support legalization. Opponents argue that legalization would trigger an uncontrollable increase in drug use. I do not think that it would be any greater than it already is with drugs prohibited and underground. In any event, their use would be controllable; society would have an opportunity to care for and cure drug addicts, and most importantly, drugs would cease to be a profitable business for criminals. Why rule out this solution when we know well that there is no other? We are undergoing "Colombianization" or, if you prefer, "Mexicanization." We could also undergo "Americanization."

* Resource Constraints Noted

93CA0169C Mexico City EXECLSIOR in Spanish
26 Jun 93 pp 7-A, 14-A

[Luis Pazos commentary: "Drugs; The Wrong Road?"]

[Text] There is no doubt that the consumption of drugs causes great physical harm to those who take them. There are several kinds of drugs. The sale of some is banned by law, while the sale of others is allowed.

Paradoxically, the ones that are to blame for the most deaths are legal: cigarettes, alcohol, coffee.

For each person who dies from using cocaine or heroin, 100 die of alcoholism, and 1,000 contract cancer or fatal cardiac ailments from smoking.

The greatest social harm and the deaths caused by prohibited drugs do not stem from their consumption but rather from the crimes committed as a result of their illegal sale.

In the case of cocaine and heroin, the main illegal drugs, the physical harm to their users represents less than 10 percent of the physical or property damage as a result of their illicit sale: murders, kidnappings, robberies, rapes, etc.

Besides the killings that prohibition causes, it absorbs a large amount of government resources. And it is the cause of corruption that is jolting and fracturing social institutions in the countries in which drugs are produced, marketed, and consumed.

In Mexico, for example, more than 80 percent of the budget of the Office of the Attorney General of the Republic (PGR) is allocated to combat drug trafficking, without almost any positive results.

In 1992 the U.S. Government appropriated \$12.7 million for the battle against drug trafficking, yet it was unable to reduce drug sales. In all Latin American

countries and even in the United States, the budgets managed by drug traffickers are larger than the ones available to combat them.

In light of this situation, there must be a dispassionate, objective analysis of new strategies for combating the production, marketing, and consumption of drugs that have been banned up to now.

Mexico's experience shows us the following: stiffer penalties for drug traffickers have not had the desired effect. Over the past five decades the Penal Code has been modified eight times to stiffen penalties for drug trafficking; yet far from declining, this activity has expanded.

In 1931 the penalties provided for in the Federal Penal Code for drug trafficking were six months to seven years. In 1947 they increased from one to 10 years. In 1968 they rose from six to 15, and in 1989, from 10 to 25 years, almost the same as for homicide.

The only remaining step is either the death penalty or, as an editorial in the magazine THE ECONOMIST from the third week in May puts it, "bring drugs within the law."

There are other highly dangerous paths. A group of legislators from the National Action Party and PRI, unaware of the mechanisms and "modus operandi" of the drug traffickers, has proposed giving the police additional power under a bill to amend several articles of the constitution. Among the articles that would have to be amended is number 16, which provides for the guarantee of legality; it makes arrests contingent on a prior warrant issued by an appropriate judicial authority.

The changes seek to legalize arrests without a prior judicial warrant and to hold detainees longer before they are handed over to the custody of the Judiciary.

Such proposals are highly dangerous because aside from not halting drug trafficking, they undermine the judicial security of all citizens by abridging individual rights in the name of combating this illegal business.

The recent murder of Cardinal Posadas in Guadalajara made it clear that the freedom and impunity that drug traffickers have enjoyed in Mexico is the result not of a lack of legal instruments for arresting them but rather of an unholy alliance between most federal agents and police chiefs and the drug traffickers.

The PGR itself admitted that more than 80 percent of its personnel in 25 states in which drug trafficking occurs were in collusion with the drug traffickers. A former chief of the Mexico City police was recently apprehended for having received \$100,000 to let a drug trafficking kingpin go free.

Unfortunately, there seem to be legislators in Mexico who do not read the papers and are unaware of the reasons why drug kingpins were not arrested years ago or

have been set free. And they go so far as to propose as a solution giving more power to the same people who have shown that they have not been able to use the power they already have for the benefit of the citizenry.

The only answer to the drug problem, which unfortunately Mexico cannot adopt until it is adopted in the United States, is "to bring drugs within the law," that is to say, regulate them.

As long as consumption is permitted and is rising in the United States, the main consumer, the battle against sales will not make significant gains, although it will indeed cause many murders and other crimes.

According to THE ECONOMIST, the first to benefit from legalization would be the consumers themselves, many of whom die from adulterated or extremely dangerous drugs like crack.

The legalization of drugs means their regulated, not indiscriminate sale. The ban on selling them to minors would continue. Adults could purchase drugs (cocaine and morphine), with a doctor's prescription, at pharmacies or government clinics.

The price would plunge, and the drug gangs would automatically disappear before they do away with judicial security and social institutions in many Latin American countries and in the United States itself.

At present a gram of cocaine is worth three times more than a gram of gold. And no sooner is one drug kingpin put in jail than other, new ones emerge.

Authorities in Los Angeles have opened aid centers for drug addicts in which drug substitutes are provided to those who agree to be interviewed by center psychologists.

One of the psychologists working at one of these clinics in Los Angeles told me that although addicts are unlikely to stop using drugs, they no longer have to steal the sizable sums of money required to feed their habit, sums that range from \$100 to \$300 a day.

We know that legalizing something that is harmful to one's health is not the ideal solution, but the time has come to think about new strategies. Paradoxically, the drug traffickers are the ones who are most interested in keeping the sale of cocaine and morphine illegal, because as long as there is prohibition, there will be big profits to be made.

Many officials, and even governments, benefit from the illegal trade through bribes or the inflow of foreign exchange.

In the United States, where the main drug-trafficking magnates and financiers are to be found, there are strong pressures to continue using the same strategies, which guarantee large profits at a low cost to the traffickers. However, the costs are also extremely high to a society whose leaders seem stubbornly determined to continue the struggle with the same strategies that have already clearly demonstrated their ineffectiveness and have yielded counterproductive social results.

Costa Rica**Costa Rican Ministry Disapproves of Envoy Signing Letter on Cuba***PA1408143293 Mexico City NOTIMEX in Spanish
0202 GMT 14 Aug 93*

[Text] San Jose, 13 Aug (NOTIMEX)—The Costa Rican Foreign Ministry on 13 August expressed disapproval of the letter sent by Gonzalo Facio Segreda, Costa Rican ambassador to Washington, to a U.S. congressman explaining Costa Rican policy toward the Caribbean Common Market (Caricom). The Foreign Ministry pointed out that Facio Segreda "and other ambassadors from Central America and Dominican Republic signed an unofficial note addressed to Congressman Robert Torricelli without previous consultations."

On 5 August, the ambassadors of Central America and the Dominican Republic in Washington sent a letter to Torricelli requesting that their countries not be excluded from the benefits of the Caribbean Basin initiative. The letter was sent after Torricelli expressed indignation over Caricom's decision to establish a Commission for Technical and Economic cooperation with Cuba. His remarks were interpreted as a U.S. threat of economic reprisals against Central America and the Dominican Republic.

Torricelli, chairman of the Congressional Subcommittee on Western Hemisphere Affairs, pointed out that it would be impossible for the United States to maintain trade benefits in the Caribbean region if it thought the ultimate beneficiary was going to be the "Cuban dictatorship."

Ambassador Facio signed the "explanatory letter" which requested Torricelli's "understanding" and extended an offer by the ambassadors to meet with members of the subcommittee appointed by Torricelli to discuss different points of view regarding this issue.

"Costa Rica has traditionally based its international policy on respect for the sovereignty of states and their freedom to maintain and develop foreign relations without being influenced in any manner whatsoever," the Foreign Ministry said. "These are the guidelines that have inspired Costa Rica's past and present ties with Caricom member states, which have been particularly close over the past few years," the Foreign Ministry pointed out. The ministry maintains that "the policies the Caricom countries adopt with regard to Cuba or any other state are the result of their exercising their sovereign rights and it is not up to Costa Rica to make value judgments regarding those policies."

In addition to Torricelli, other U.S. congressmen informed the Caricom countries of their "annoyance" over their decision to cooperate with Cuba, as well as their reluctance to extend the benefits of the Caribbean Basin initiative to English-speaking countries in the region.

According to the Foreign Ministry, the Central American and Dominican ambassadors said their countries "did not participate in Caricom's decision and, therefore, should not be affected by any sanctions the United States might eventually implement."

Nevertheless, the Ministry confirmed "the Costa Rican Government's traditional respect for the decisions made by states in the area of international affairs," as in Caricom's case with regard to Cuba.

El Salvador**FMLN Questions Existence of Group Threatening U.S. Troops***PA1408043593 San Salvador Canal Doce Television in Spanish 0300 GMT 14 Aug 93*

[From the "Up-to-Date Newscast"]

[Text] On 12 August, the clandestine Salvadoran Revolutionary Front, FRS, an alleged dissident group of the Farabundo Marti National Liberation Front [FMLN], threatened to carry out armed attacks against U.S. military personnel in El Salvador. The GI's have arrived to work with the Salvadoran Army on infrastructure projects.

Marcos Jimenez, FMLN assistant coordinator, downplayed the existence of the FRS, saying it is probably an Armed Forces counterinsurgency group.

[Begin recording] [Jimenez] In this case, we do not believe the FRS as such exists. We believe that it is actually manipulation by counterintelligence groups that still operate in the Armed Forces. It could be that many people have taken advantage of this situation, adopted the FRS position as their own, and somehow identified with this anti-FMLN ideal. These are radicals who are not satisfied with the progress in this democratic revolution and may have adopted the FRS statements as their own.

[Unidentified reporter] Could they be radicals within the FMLN?

[Jimenez] Not only the FMLN. Members of the Army and other sectors of our society could also be included here, but there is no proof of that. [end recording]

Marcos Jimenez said that the problem stems from the fact that the government has not yet carried out a serious investigation into the case. He also said the government should deploy the National Civilian Police, as this is a perfect opportunity to confirm the existence of these alleged FMLN dissident groups.

Deputies Condemn FRS Threats

PA1508212793 San Salvador Radio Cadena Central in Spanish 1230 GMT 14 Aug 93

[Text] The Salvadoran Revolutionary Front [FRS], through a television station, threatened to carry out actions against the group of U.S. soldiers who have come to the country to participate in the Fuertes Caminos exercises.

Miguel Espinal, a deputy of the Christian Democratic Party [PDC], regretted the announcement made by the clandestine organization and noted that the FMLN [Farabundo Marti National Liberation Front] is involved in this.

[Begin Espinal recording] I believe that this, in addition to being a threat, is a problem the FMLN leaders must solve because it involves former FMLN combatants who have not accepted, in a disciplinary way, the decision made by the FMLN leadership. [end recording]

Espinal stressed that the U.S. military presence has the support of all legislative factions. Gerardo Suvillaga, a deputy of the Nationalist Republican Alliance, Arena, condemned the FRS statement and added that it affects the country's reconstruction process.

[Begin Suvillaga recording] Fuertes Caminos will bring social benefits to the people because it involves the building of schools, clinics, and drinking water wells. The FRS uses the same tactics used by FMLN members for many years: threats of possible attacks. They are threatening to carry out actions against these people who belong to the U.S. Army's engineering section. We condemn this. There is a document pending to be issued by the Legislative Assembly condemning the FRS. We believe that FRS members should be treated as common criminals. [end recording]

Suvillaga agreed with Espinal that the actions of the 46 soldiers who are working with the Salvadoran Armed Forces in Fuertes Caminos operations in Cuzcatlan and La Paz Department are positive for all the people.

FMLN Concerned Over 'Flagrant Violation of Sovereignty'

PA1408145793 Mexico City NOTIMEX in Spanish 2236 GMT 14 Aug 93

[Text] Mexico City, 13 Aug (NOTIMEX)—The former Salvadoran guerrilla force on 13 August expressed its concern over military exercises being carried out in El Salvador by U.S. troops and the Salvadoran Army. The FMLN [Farabundo Marti National Liberation Front] said that the exercises come at a "very difficult time in the peace process."

On 11 August a first team of 50 U.S. Armed Forces engineers arrived in San Salvador to begin preparing for

the civic-military operation called "Fuertes Caminos," which will be carried out together with Salvadoran troops.

According to a communique issued in this capital, the now FMLN political party assured that the presence of the foreign military personnel coincides with disputes among Salvadoran Armed Forces sectors. According to the document, the conflicts between the Salvadoran military are trying to "overturn and neutralize agreements regarding the military reform and the new constitutional duty of the institution" following the peace agreements signed in January 1992.

The FMLN expressed its concern over the involvement of military troops in public security tasks and the reluctance to confiscate weapons from the hands of civilians for the exclusive use of the Armed Forces of El Salvador (FAES). It also mentioned the entry of military officers into the National Civilian Police and the National Public Security Academy and the involvement of the FAES in supporting right-wing political parties in the next electoral campaign. The former guerrilla movement asserted that the International Cooperation Mechanisms for the Reconstruction Process, established in the Peace Agreements, do not include "the mode of cooperation through foreign troops."

The FMLN stated that the Constitution enables the Congress to permit or prohibit the transit of foreign troops through Salvadoran territory, which establishes that "at no moment, nor under any circumstance, may foreign troops remain [in El Salvador]." The presence of foreign troops in El Salvador represents a "serious insult to the Salvadoran people and a flagrant violation of sovereignty" of that Central American country.

The first contingent of U.S. troops forms part of a group of 450 troops that will remain in El Salvador under UN supervision to rebuild the infrastructure damaged during the recently ended civil war. The first stage of this civic-military operation began on 11 August and will end in December. A second stage will be carried out between May and August 1994. The plan contemplates the construction or renovation of 20 schools, clinics, bridges, and seven water wells located in communities in the northern and eastern parts of El Salvador.

Through the document, the FMLN demanded that President Alfredo Cristiani's government retake the spirit and letter of the Chapultepec Agreements and that the U.S. Government suspend these joint military exercises.

FMLN Arguments 'Too Late'

PA1508011593 San Salvador Radio Cadena YSU in Spanish 1230 GMT 14 Aug 93

[Station Commentary]

[Text] The FMLN [Farabundo Marti National Liberation Front] has asked the U.S. Government to stop its

Fuertes Caminos exercises. After warning that the military exercises by the U.S. and Salvadoran Armies are taking place at an extremely delicate phase of the peace process, FMLN Coordinator Shafik Handal asked the Clinton administration to halt the exercises. At the same time, Handal asked that the aid for the reconstruction of schools and water wells be provided through the proper civilian channels.

In his message on the behalf of the FMLN, Handal reiterated that the FMLN has and will continue to welcome the various initiatives sponsored by the U.S. Administration to help rebuild the country. The FMLN believes that the announcement of the Fuertes Caminos exercises comes at a time when Armed Forces units are involved in public security tasks, when officers have entered the National Civilian Police and the Public Security Academy, and when authorities refuse to collect the weapons used exclusively by the Armed Forces.

In his note, Handal said it is obvious that the U.S. soldiers' participation in tasks in the country can be viewed as moral support for the Salvadoran troops. The FMLN, which has become a political party, reminded the United States that the mechanisms for the reconstruction plan were established in the peace agreements. In his message, Handal also rejected the legality of the green light that the legislative assembly granted the U.S. troops, arguing that the assembly can only permit or reject their transit through the country's territory.

All of the FMLN's arguments seem to come too late because the U.S. troops are already in the country with the consent of all the deputies, with the exception of the National Democratic Union. The work of the U.S. troops can only be gauged in December, when the scheduled projects are completed.

Guatemala

De Leon on Special Peace Commission, Government Plan

PA1308155693 Guatemala City Teleonce Television in Spanish 1900 GMT 11 Aug 93

[From the "Telepress" newscast]

[Text] On 11 August, President Ramiro De Leon Carpio announced the creation of a special commission to define the basic issues of a government position based on the president's peace plan in preparation for a new round of talks with the commanders of the URNG [Guatemalan National Revolutionary Unity], just in case the dialogue between the two parties should restart in accordance with the presidential peace plan. The commission will be made up of three civilians and three soldiers.

[Begin recording] [De Leon] I have installed a commission to study and complete the first phase. The commission will consist of [words indistinct], three Army officers, two generals and one colonel, and an equal

number of civilians. I cannot give you any names yet, but the commission will complete the first phase, which will be to broaden and enrich the proposal made to the people of Guatemala. We have listened to the various sectors. Incidentally, the private universities will be visiting us today, represented by their organizations and councils, which brings us to the conclusion of that first phase.

The government commission will carry out a process of evaluation to streamline the proposal in the next phase. A third phase will be to officially present the proposal.

[Unidentified reporter] Who will preside?

[De Leon] Hector Posada Granados.

[Reporter] Mr. President, could you give us some detail of your 1994-95 government plan?

[De Leon] I offered to present the plan on 15 August. The document is ready. It is complete and I have kept my promise. Naturally, the document is an agenda for the government's work during the 1994-95 period. I still have to hear from the various sectors, but the general guidelines and social and economic policies have been set. I would like to say that it defines five general issues, which are in turn divided into two main fields: one is the consolidation of democracy and institutionality and the other is the fight against poverty.

From a political viewpoint, the basic task facing the government during the next 2.5 years will be consolidating democracy and institutionality and democratic institutions. From a social and economic viewpoint, the task will be to fight poverty by getting special investment funds to the people. To do so we must promote cooperation between municipal corporations and government entities in an attempt to decentralize these efforts and move them into the countryside. We will do this under the theme of commitment, commitment by the government and president. At the same time however, we must have the commitment of the grassroots; a commitment by the people to participate in the decisionmaking process with its opinions and contributions, to have the decisions come from the grassroots for the first time and not from the top or the peak.

The orders must not come from here. The orders, decisions, and policies must be the result of the people's needs. The enormous progress we will see, thanks to the democratic participation of the people, will allow us to promote socioeconomic development, based on these two main topics: a political one, which is the consolidation of democracy and the economic and social one, which is the fight against poverty.

[Reporter] Will you make the announcement in a news conference 15 August?

[De Leon] As I am leaving the country on 16 August, I may leave a recorded message, just to change things around and not become monotonous, on 15 August for it to be aired on 16 August. I could also hold a news

conference if my departure can be delayed. If I cannot do that, I will leave a recorded message to be aired on 16 August.

[Reporter] Mr. President, what proposal will you present at [word indistinct]?

[De Leon] We will meet with representatives of the business sector. First of all, we will follow up on the concepts of the Group of Four and decide whether the agreements are being fulfilled as to the free transit of people, vehicles, merchandise, certain affairs regarding medicines, others regarding unification regarding drivers licenses, banks, etc. All of this will be subject to study, analysis, evaluation, and follow-up to verify whether they are being fulfilled.

Regarding new proposals concerning Guatemala, we will discuss and analyze the different economic and social sectors.

[Reporter] About the San Jose Pact, what is Guatemala's position in relation to Venezuela and Mexico's positions?

[De Leon] That is another topic we will discuss. We will also discuss the preparations for the summit scheduled for 27, 28, and 29 October, where we will discuss several topics we have agreed to, such as the treaties with Colombia, Venezuela, and the rest of the countries of Central America. [end recording]

President Defends Presidential Command Staff Changes

PA1408032093 Guatemala City Cadena de Emisoras Unidas in Spanish 1200 GMT 12 Aug 93

[Text] President Ramiro De Leon Carpio has responded to statements by former President Vinicio Cerezo regarding the elimination of the so-called Presidential Command Staff Archives.

[Begin De Leon recording] The restructuring of the Presidential Command Staff is a historic act because we got rid of that which was not efficient or necessary, for example the reduction of the Administrative Department and returning almost 65 policemen to the National Police. On the other hand, however, we are strengthening an internal security council. I do not think I would be silly enough to do away with an entity upon which the safety of the president and his family depends. Instead of weakening this body, we are strengthening it. Now, what we have done is to make the historic decision to eliminate the tactical operations of the Archives; we are currently defining and strengthening the president's security system. [end recording]

Minister on Belize Solution; Announces Costa Rican Visit

PA1308234993 Guatemala City Teleonce Television in Spanish 1900 GMT 11 Aug 93

[From the "Telepress" newscast]

[Text] Foreign Minister Arturo Fajardo Maldonado said on 11 August that the government will undertake all necessary efforts to analyze the situation regarding Belize. As it is a matter of national importance the government will try to handle the whole affair through the National Council on Belize—once it is created—and, at the same time, will seek support through popular consultations to solve the territorial dispute, said the foreign minister. His statements were made during a news conference called to announce basic guidelines of the government policy regarding foreign relations.

[Begin recording] [Unidentified reporter] [Words indistinct]

[Fajardo] Belize? Belize is on Guatemala's foreign relations agenda. Of course, it is a very special topic. As you know, we are studying the creation of the council. Because this is such an important, sensitive, and special foreign affairs topic, we want to go step by step, very carefully, in creating council; its organization is being studied very closely.

[Reporter] [Words indistinct] will change the ambassador [words indistinct]?

[Fajardo] For the time being, they will remain as they are. We are very carefully creating the council. As you have seen, we want every step regarding Belize, as it is such a special topic, to be carefully studied and to have public support.

[Reporter] [Words indistinct]

[Fajardo] The steps are many, as with Central America—there are very important bilateral relations involved, and there are regional relations through the plan for economic integration and through the regional integration institutions which continue to function.

In that regard—I will allow myself to announce this here—next week I will travel to San Jose, Costa Rica, at the official invitation of the Costa Rican foreign minister to visit San Jose for two days in order to examine the bilateral agenda between Guatemala and Costa Rica and conduct an overall analysis of general relations proposed by the economic integration process. I believe it is very important for Costa Rica to weigh in on the integration process. I think it will be a good chance to examine all the topics. The priority in Central America [words indistinct] because the work continues all the time. [end recording]

During the news conference, Foreign Minister Arturo Fajardo Maldonado summarized his office's initiatives in four basic objectives. As the four basic objectives he

mentioned: Preserving and increasing Guatemala's international prestige after the election of President Ramiro de Leon Carpio, complementing and increasing efforts in the struggle against poverty with national and regional strategies, promoting rapprochement with non-government organizations to endorse the dignity and development of Guatemala, and developing a policy for Guatemala's international economic relations.

Honduras

Callejas Holds News Conference on DIN

PA1308152693 Tegucigalpa Voz de Honduras Network
in Spanish 1810 GMT 12 Aug 93

[News conference by Honduran President Rafael Leonardo Callejas with unidentified reporters at the Department of National Investigation, DIN, headquarters in Tegucigalpa—live]

[Text] [Callejas] Mr. Presidential Designate Roberto Martinez Lozano; Mr. Government and Justice Minister Celin Discua; Honorable Congress Deputy Dr. Francisco Cardona; messrs. members of the DIN Arbitration Commission, Dr. Rodolfo Rosales Abella, Col. Heliodoro Zamora, Alfredo Landaverde; Col. Mario Hung Pacheco, commander of the Public Security Forces [Fusep]; DIN Director Col. [Marco Tulio] Ayala Vindel; officers, agents, auxiliary personnel, ladies and gentlemen:

This is a moment for an in-depth analysis and reflection for you, the Honduran people, and myself. My visit to the DIN is an act of support, a recognition of transformations Honduran society demanded yesterday and applauds today. There is no reason why the agencies in charge of enforcing the law, making justice prevail, and carrying out investigation programs should be conditioned to national demands, and their conduct, according to the law, should be above reproach.

We have heard with great pleasure and satisfaction as citizens the report submitted by Col. Ayala, stating that the DIN now shares a mutual respect with the citizenry. What more can a public servant hope for if not this? Citizens must realize that the law will be enforced with respect, and those against whom the law is enforced should also show respect. The fact that no habeas corpus writs have been filed in connection with law enforcement agencies and that no charges of human rights violations have been issued against these agencies is a merit we must recognize today.

Few processes for our society's political organization will be as relevant as the results yielded by the ad hoc commission to protect people's assets and rights. A great effort has been exerted, and it is only fitting that I come to state the Honduran people's and government's recognition for this state agency's conduct. Rest assured we will fully support all the requests submitted by Col. Hung Pacheco, Col. Ayala, and the DIN officers.

First of all, I have been asked to review social welfare issues, because not all the DIN officials and employees enjoy this benefit. We will do everything within our means so that they can join some of the state's social welfare programs, depending on their legal framework and the state's economic capability. Everyone here can rest assured that I will adopt the pertinent actions before my presidential mandate ends so that DIN agents and employees may join a social welfare program that guarantees them health care and life insurance and grants them the opportunity to opt for other alternatives, like other state employees.

Second, I have been asked to help with the logistics by granting them technological support with computers, and we will expeditiously begin to do so. In addition, the best options will be sought as far as the DIN headquarters are concerned. We will act consistent with those interests. I am quite sure Honduran society now feels satisfied, and we should support the actions carried out to improve working conditions for DIN employees, officers, and commanders.

We will do everything possible so that the transition between the DIN and the Criminal Investigation Department, DIC, is smoothly carried out so that acquired rights are respected and that the best working conditions are given. It is a pleasure to be here as president of the Republic, because I perceive from media reports that society's demands concerning the controversy and crisis that arose in the country and led to the creation of the DIN Arbitration Commission are being fulfilled. I feel proud as a citizen, as commander general of the Armed Forces, and as president of the Republic.

Col. Hung Pacheco, Col. Ayala, officers, agents, and auxiliary personnel, my sincere recognition on this afternoon which is historic, not due to my presence as president of the Republic but due to the positive actions carried out in recent months by this department to earn Honduran society's sympathy. Thank you. [applause]

[Reporter] The DIN, which is now called DIC, always has the same people. Why are the members who have been charged of [words indistinct] not discharged? Several have been discharged, but, at the end, everything is the same and it always [words indistinct] members.

[Callejas] I do not agree. The fact is that we have received a recognition, because there have been no human rights violations, citizens have not been held for more than 24 hours, and [words indistinct] habeas corpus. Also, according to reports I have from Colonel Marco Tulio Ayala [appointed director of the new DIN] and especially from the government-appointed DIN commission, there have been personnel changes, and this too is very positive. The important thing is that we are on the right path and that the transition to DIC will, in itself, be favorable for the Honduran people.

[Reporter] Mr. President, will there be a wage increase for the employees?

[Callejas] Sure. Concerning policemen, we will increase the officers' wages to 600 lempiras.

[Reporter] Will you be able to leave solid bases to ensure the training of the Honduran Technical Judicial Police in what remains of your administration?

[Callejas] Yes indeed. I am interested in achieving this and have, thus, requested the Congress of the Republic to immediately institute the Attorney General's Office, as this will allow us to get started this same year. If this is done, we will be able to support the decisions to further the transition to the DIC.

[Reporter] Mr. President, with all due respect....

[Callejas, interrupting] Excuse me, one reporter at a time please.

[Reporter] People are also requesting that the number of policemen be increased, because they are not enough.

[Callejas] Yes. This is one of the proposals we have. Obviously, this action demands changes in the budget. We have to do things gradually, as those problems cannot be solved immediately. Remember that we are implementing a transition from DIN to DIC, which will initially be under the Attorney General's Office. Thus, the process is partially included in the 1994 budget we will present to Congress. As for me, I assure you that I will do my best to increase the number of policemen.

[Reporter] [words indistinct] have you found on the DIC?

[Callejas] The response has been very positive. The comments I receive from people are favorable. Of course, the installations we have seen here are not the most appropriate or desirable ones for the work to be done.

[Reporter] Up to now, people have not disappeared during your administration, but people have presented charges of abuses [words indistinct] at Tegucigalpa courts of justice, prior to the appointment of the government-appointed DIN commission.

[Callejas] Yes, this is the reason the ad hoc Commission To Secure the Country's Assets and People [Comision Ad Hoc Para La Seguridad de los Bienes y las Personas del Pais] initially established the government-appointed DIN commission and later created the Attorney General Office and the DIC. All those changes emerged from the people's permanent demands in regard to security and human rights. The people's demands prompted decisions that have resulted in this transition and in the DIN's favorable response to attend to the Honduran people's desire and mandate

[Reporter] The Tegucigalpa low-income area residents constantly complain about the negligible amount of police patrols and say they are at the mercy of the criminals. What will be done to improve this situation?

[Callejas] This is more in the line of regular police work and is the task of the Public Security Forces. I believe we have to increase the number of policemen gradually. This action is not economically easy, because it requires a great amount of resources. Undoubtedly, this is what we have to do as soon as we can and after the Public Security Forces takes the pertinent actions through the Armed Forces Command Staff. We could order that the Army guard the streets again, but this is a temporary measure. We have to take permanent measures; that is, we have to continue to strengthen the National Police with additional policemen, equipment, and logistical systems.

[Reporter] How far will the process to change the Police Corps go? I understand there is another organization called [word indistinct] Advisory for Police Modifications.

[Callejas] Yes, we expect the legislative branch to approve the creation of the Attorney General's Office, which is the most effective step to initiate the long-term process. Let us not forget—I once mentioned this and not because I am pessimistic about the matter—that the National Police transition process will probably take at least 10 years to complete. This is the amount of time needed to achieve all the goals outlined by the ad hoc commission. Thank you.

Public Security Commander on Air Force, Callejas' DIN Visit

PA1308163493 Tegucigalpa Voz de Honduras Network
in Spanish 1737 GMT 12 Aug 93

[Interview with Colonel Mario Hung Pacheco, public security force commander, by an unidentified reporter at the government house on 12 August—recorded]

[Text] This morning Colonel Mario Hung Pacheco, public security force commander, visited the government house, where he participated in an event marking national water day. We took the opportunity to question him on matters of national interest, particularly about what allegedly happened inside the Armed Forces at the beginning of the week.

Col. Hung said that jealousy does not exist among the diverse Armed Forces promotions. To conclude, the colonel calls on the nation's politicians—those who direct the nation's policies—to show a little more restraint so that the Honduran people are not drawn into a confrontation. Here is what Hung Pacheco said when questioned about the visit that President Callejas is making to the Department of National Investigations [DIN]:

[Begin recording] [Reporter] What does the president's visit to the DIN mean?

[Hung] President Callejas was invited by the DIN Arbitration Commission and the DIN director. He personally

accepted the invitation to inspect and see what the DIN is. There is nothing spectacular in that.

[Reporter] Regarding the commission, how much progress has it made in its investigation, and what is the situation of the same?

[Hung] I think that specifically the commission can reply to your question. The commission is autonomous, and it is working, as was stated in the ad hoc commission mandate. As an ad hoc commission member, I cannot tell you right now what has been done, as they have to issue a report to the ad hoc commission; therefore, I cannot give you a reply.

[Reporter] There were reports a few days ago about movements within the Honduran Armed Forces. Although explanations have been given, there are still doubts. Were those reports true?

[Hung] No. The media were surprised by those reports. Frankly, I can tell you that there is nothing. I am a member of the eighth graduating class, and I can emphatically assure you that those reports are not true.

[Reporter] There was a meeting at the Air Force, however.

[Hung] Well, there are many meetings at the Air Force. There are working sessions. The reason why some of my comrades participated in a meeting at the Air Force is because they belong to a supervising commission of the military commissary committee and were discussing problems related to the commissary. All the members of the general staff are members of that board. They are members of the eighth graduating class, but there is no reason to speculate on that. The truth is that they were working there.

[Reporter] It has also been said that certain politicians promoted this situation of expectation within the Armed Forces. Do you have any knowledge of this?

[Hung] I would appreciate it if you could give us the names of those politicians. I have no knowledge of any politicians participating in that meeting of the members of the eighth graduating class. There was a working session at the Air Force, because the Air Force chief of staff is member of that commission. I am unaware of any politician who tried to take advantage of that meeting.

[Reporter] It is said that politicians probably started rumors about internal problems within the Armed Forces, which prompted an urgent or emergency meeting.

[Hung] No, there was no emergency meeting. Things that are said have become a problem in our country. Unfortunately, rumors are spread, creating a crisis within the country, due to the fact that people talk and talk, and many times things are said without any basis. This is worrisome. Someone may say that the Air Force was attacked, and then we wonder who started those rumors.

This is worrisome. I would like to ask you journalists, who handle the news to confirm reports, from where they originated.

[Reporter] Do you think those rumors could create instability within the Armed Forces?

[Hung] I am not worried about instability within the Armed Forces, because there is none. We are firmly united. What worries me is national instability. As you know, if there is a crisis within the Armed Forces, there is a national crisis too. Everybody worries and starts thinking about military coups or insecurity. I do not think there is any instability within the institution. The only problem we are facing now is the economic crisis, which is affecting the entire country and world.

[Reporter] How do you view the political situation? Do you think it could degenerate and create confrontations among Hondurans, as a result of the current campaign, particularly in the media?

[Hung] I prefer not to comment on this subject, as I am totally apolitical and.... [pauses] Logically, it is worrisome; the campaign should be more moderate and balanced.

[Reporter] And more prudent, particularly by certain sectors, in order to avoid confrontations within the Honduran society?

[Hung] I am sorry, I did not hear your question.

[Reporter] Do you think the campaign should be more moderate to prevent confrontations and possible friction among the civilian population?

[Hung] I believe so. [end recording]

Nicaragua

Chamorro Will Not Dismiss Lacayo, Ortega

PA1408025393 Panama City ACAN in Spanish 0110 GMT 14 Aug 93

[Text] Managua, 13 Aug (ACAN-EFE)—Nicaraguan President Violeta de Chamorro said on 13 August she will not dismiss her son-in-law, Presidency Minister Antonio Lacayo, or General Humberto Ortega because "I accept impositions from no one." "No one tells me what to do, not even you (the journalists)," Chamorro replied to journalists who sought her reaction to Nicaraguan businessmen's demands that she dismiss Lacayo and Nicaraguan Army Commander Gen. Humberto Ortega.

Referring to Ortega, she said a bill to reform the military law is currently being discussed, adding that the Army commander will retire one day. She did not, however, specify a date.

Leaders of the Higher Council for Private Enterprise (Cosep) have demanded the dismissal of these two

high-ranking officials, considering them to be "damaging to the country's image abroad." Furthermore, they believe Lacayo's and Ortega's dismissals would be the first positive step taken toward getting the U.S. Government to release this year's \$103 million in economic aid to Nicaragua. Late in July the U.S. Senate approved a resolution suspending aid to Nicaragua until President Bill Clinton certifies no Nicaraguan official has ties with international terrorist groups.

Chamorro revealed she met with Alexander Watson, assistant secretary of state for inter-American affairs, last week in Washington. She said Watson was "quite concerned" about the "arms cache" issue. "Throughout the meeting (Watson) only spoke to me about the cache," the ownership of which was attributed to a group of Salvadoran guerrillas, the president said when questioned by reporters during a visit to a center for abused children. "I understand why Mr. Watson is concerned about the caches, but we inherited those problems and will solve them gradually," Chamorro added. She stressed: "I told (Watson) I do not allow caches in my country, but the fact that they exist and have exploded is another matter."

Chamorro said she told Watson about her willingness to allow the FBI, Interpol, and other international organizations to come to Nicaragua to help solve the problem of the "caches" and "ensure that the culprits feel the force of the law."

Suspicious in this regard emerged in the U.S. Senate because of the discovery in this capital of a secret arsenal belonging to the Farabundo Marti Peoples Liberation Forces, one of five former Salvadoran guerrilla groups, which is now a political party. A file of secret documents presumably belonging to an international terrorist network, which was plotting to kidnap Latin American personalities, was also found in that "cache." On 13 August an international commission began to investigate the "cache" to determine the legal and political responsibility of Nicaraguans and foreigners. Government Minister Alfredo Mendieta said.

Lacayo Sets Deadline for Showing U.S. No Terrorism Ties

PA1408010193 Paris AFP in Spanish 2231 GMT 13 Aug 93

[Text] Managua, 13 Aug (AFP)—The Nicaraguan Government today set a deadline of 7 September for proving to the United States that it has no ties to international terrorism, Nicaraguan Presidency Minister Antonio Lacayo said.

Members of the U.S. House of Representatives will return from vacation on that day, after which they should decide if they will ratify the Senate's request to definitely suspend all economic aid to Nicaragua. The Senate has ordered that aid be suspended until the Nicaraguan Government can show that none of its officials are involved with the weapons cache found in a

Managua neighborhood. Authorities also found evidence there of an important international terrorist network with plans to kidnap Latin American personalities.

Lacayo, who returned today to Nicaragua from a visit to the United States, affirmed that his government "will prove that it is fighting terrorism," indicating it has put at the disposal of an international commission all its resources and the political willingness to investigate those involved in the weapons cache incident.

U.S. political authorities doubt that the Nicaraguan intelligence services had no knowledge of the existence of the weapons cache, which belonged to one of the five organizations that comprise the Farabundo Marti National Liberation Front, the former Salvadoran guerrillas. In the weapons cache were discovered documents mentioning Latin American businessmen and political leaders that allegedly were to be kidnapped, 10 anti-aircraft missiles, and 1,000 rifles. The Nicaraguan Government also linked to the case people with ties to the Basque Homeland and Liberty organization.

The former Salvadoran guerrilla group claimed responsibility for the weapons in Nicaraguan territory, allegedly hidden during the past decade during the time of Sandinist leader Daniel Ortega's government. Nevertheless, the authorities have disclosed few details on the documents' contents.

Interpol has begun investigations at the cache site, while today another investigating team arrived, this one from the FBI. The FBI investigation will be in addition to those conducted by Spain, Venezuela, and El Salvador.

Delivers 'Confused' Speech

PA1308235593 Managua Radio Catolica in Spanish 2200 GMT 13 Aug 93

[From "The Nation" newscast]

[Text] International sources have reported that U.S. President Bill Clinton has instructed Alexander Watson, assistant secretary of state for Latin American affairs, to tell Violeta Chamorro's minister, Antonio Lacayo, that if the government wants aid to Nicaragua to be unfrozen, Commander Humberto Ortega must be removed and that this is an essential requirement. The international source said that in addition to dismissing Ortega as military commander, it will be necessary to investigate the murders of Enrique Bermudez, Arges Sequeira Manga, and the child Jean Paul Jenny Lacayo.

Nevertheless, the super minister [Lacayo] did not mention this at a news conference at the International Airport held upon his return to Nicaragua after meeting Mr. Watson. At the airport, Lacayo said Nicaragua tries to model itself on Spain. He sounded a little confused, not in his ideas, but in his speech. Some reporters were astonished by the slowness of his speech. They expected Lacayo to make a very important announcement for Nicaragua, but this did not happen.

Argentina

New Fiscal Pact Between State, 16 Provinces Detailed

PY1308222193 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2246 GMT 12 Aug 93

[Text] Buenos Aires, 12 Aug (NA)—The new Fiscal Pact signed between 16 provinces and the state has increased the federal coparticipation guarantee fund from 725 to 740 million pesos as of 1 January 1994 for the provinces that signed the agreement.

In the first chapter, the Fiscal Pact establishes the elimination of the stamp tax on all financial and insurance operations "for the agricultural, industrial, mining, and construction sectors."

The reduction of this tax will be extended gradually "to the remaining operations and sectors determined by each province" and must be completed before 30 July 1995, when the pact is no longer in force.

This tax will be maintained on "the administrative service fees that are related to service costs" and on "hydrocarbon activities and their complementary services."

Chapter 2 eliminates "immediately" the specific provincial taxes on the transfer of fuels, natural gas, and electricity, "including self-generated energy and sanitary services, except those intended for domestic consumption."

It also "encourages" the elimination of the municipal taxes affecting the areas mentioned in the previous paragraph.

Chapter 3 also eliminates "the taxes on the interest of time deposits and savings accounts, on clients' bank accounts in the red, and gradually all taxes on salary brackets" before 30 June 1995.

Chapter 4 modifies the tax on gross income, and establishes tax exemptions on primary production and on goods (manufacturing industry), except the tax on income from sales to final consumers, which will have the same treatment as retailers.

The tax exemptions also affect financial transactions, capitalization companies, the boards for administering common investment funds and pension funds, and insurance companies.

There will be no tax exceptions on electricity, water, and natural gas, except in vacation homes.

It is also made clear that the exemptions will not cover all hydrocarbon activities.

Chapter 5 says that as of 1 January 1994 taxes on real estate will be changed to prevent the average rates from going over 1.2 percent for rural property, 1.35 percent

for suburban property, and 1.5 percent for urban property. The tax base cannot go over 80 percent of the real estate value in the market.

One of the most important chapters commits the provinces, after the tax on gross income is reduced, to replace this tax over the medium term by a general tax on consumption.

The provinces also commit themselves, as of the first quarter of 1994, to establish uniform guidelines in all jurisdictions for taxes on vehicle licenses (Chapter 8).

The other provinces that will join the pact this year are Chaco Province, which will receive 500,000 pesos for the fund to cover fiscal imbalances, and Corrientes Province, which will get 1.5 million pesos for the same concept.

In 1992, Chaco Province did not even take part in the negotiations, while Corrientes was undergoing a political crisis was trying to organize itself through an intervention.

Chapter 8 established that "to finance the eventual loss in provincial tax collection created by the elimination of taxes and the creation of exceptions established in this pact, the national government will suspend the retention of the excess amount of federal coparticipation above the minimum of 725 million that was established as a guarantee in the pact."

This will be temporary and automatically in force for 60 days, and will be permanent from the time each province implements the established guidelines.

The most benefit the governors were able to obtain in the negotiations was an increase from 725 to 740 million pesos of "the guarantee as of 1 January 1994."

If the provinces are able to collect more than 800 million pesos monthly, they will be able to use that surplus "to pay the debts contracted before August 1992 (signing of the previous pact) or to finance capital expenditure and provincial reform programs."

Ruling Party Document Endorses Constitutional Reform

PY1308225193 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0027 GMT 13 Aug 93

[Text] Buenos Aires, 12 Aug (NA)—The Justicialist Party [PJ] National Council today thoroughly supported the project to hold a plebiscite to settle the issue of constitutional reform, and forestalled Radical Civic Union [UCR] criticism by pointing out that the ruling party is acting "in keeping with the most rigorous respect for republican procedures."

In a document issued this evening at the adjournment of a plenary session held at PJ headquarters at 128 Matheu Street, Buenos Aires, the PJ labelled the UCR "an

opposition devoid of memory and ideas" which is accusing the government of "hegemonic aspirations."

The document points out that "we neither harbor hegemonic aspirations nor wish to do so. We are the stable and sound majority in the political system by popular will." It moreover made clear that "the mandate conferred upon us by the people is by no means a privilege," but rather "a mixture of opportunities, challenges, and responsibilities, which the PJ takes on with full responsibility."

At another point of the document, which is entitled "Submit to Popular Vote and Act Accordingly," the ruling party noted that "it should not come as a surprise to anybody that we attach so much importance to the constitutional reform. Nobody should be misled into seeking underlying or last-minute reasons."

The document adds that Peronism is "a party that has long advocated reform" and underscores that its electoral platform stated in 1989 that it viewed the constitutional reform "as an essential part of our national project."

In an obvious allusion to the UCR, the PJ remarked that "the people who at that moment elected us to lift the country out of hyperinflation and despair voted for our proposal" and therefore "when we propose the reform we are but being consistent with what have always believed, what we advocated in our platform, and for what the people voted."

It further stressed that "in keeping with the democratic and popular nature of our party, we have publicized the debate to reach all strata of society and the four corners of our country," besides submitting the proposal "to the most strict analysis if ever there was one—popular discussion."

The PJ also considered that "concerned and well-informed public opinion shares with us the view that the constitutional reform is important and necessary," adding that "all public opinion polls reveal a stable trend in the makeup of the majority that supports the reform."

The document—which was made public by La Pampa Governor Ruben Marin, PJ's first vice president and acting president—further states that "the initiative is being pursued in keeping with the most rigorous respect for republican procedures."

In a move to underpin its decision in favor of holding a nonbinding and voluntary plebiscite before the end of the year, the PJ said that "it is irrelevant to cite as precedent the recent referendum held to settle the Beagle Channel issue, or other countries' examples, to validate the legitimacy of such a procedure."

To conclude, the document states: "Nor is it necessary to resort to long argumentations to underline the importance of the issue. Our proposal is clear and consistent: With regard to the central issue of political coexistence

regulated by the Constitution, it is necessary to seek the will of those in whom is vested the sovereignty of the nation, i.e. the people."

Incidentally, in a statement made to the press Marin acknowledged that the dialogue with the opposition "is delayed, and the political climate does not favor a friendly coexistence" between the two parties.

Marin admitted that President Carlos Menem might issue a decree calling for a plebiscite, as he argued that such a measure "would be comparable" with the decision made by the former head of state, Raul Alfonsin, when he held a referendum to settle the issue of the Beagle Channel.

Finally, Marin reiterated that the reform of the Constitution must be decided by the consent of "two-thirds of those present" in Congress, and made it clear that the issue of the plebiscite "has nothing to do with the outcome of the forthcoming elections."

Brazilian Embassy Issues 'Harsh' Statement on Immigrants

PY1408023393 Buenos Aires BUENOS AIRES
HERALD in English 13 Aug 93 pp 1, 13

[Text] (DYN-NA)—The Brazilian Embassy issued a harsh statement yesterday claiming that the "Argentine labor market does not appear to be in expansion and does not present attractive job opportunities."

The embassy explained in a communique that the presence of Brazilian citizens in Argentina "is, in economic terms, insignificant."

The statement appears to be an answer to the recent allegations made by Argentine Government officials, who recently blamed illegal aliens for the housing problems in the Federal Capital and the Greater Buenos Aires area, and to the reports by the UOCRA [Construction Workers Union of the Argentine Republic] construction workers' union that underpaid foreign workers were depriving their members of jobs.

Without actually naming the Argentine Government or the union the embassy stated that "only 2,500 Brazilians have benefited from the immigration amnesty recently decreed by this country." The communique added that "although we have no precise information on the number of illegal aliens, everything appears to show that in this category, the numbers are, from a statistical and economic point of view, insignificant."

The statement explained that the "embassy is worried about the reports, with no justification, which try to suggest that Brazilian citizens are responsible in any way for internal social problems in Argentina such as unemployment, the growth of low-income neighborhoods, and the illegal occupation of urban buildings."

Meanwhile, the UOCRA said that "it was not promoting any kind of discriminatory measures" to prevent the

entrance of cheap labor into the country from neighboring countries, union head Gerardo Martinez said.

Martinez said that his organization was demanding for those workers "all the labor rights which people living in this country should have."

The UOCRA unionist told a Buenos Aires daily that "unfortunately some evil businessmen have taken advantage of situations of extreme need, paying 100 pesos a month to illegal aliens."

Brazil

Finance Minister Invited to ECLA Annual Meeting

PY1308154393 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 93 economy and business section p 2

[From the "Straight From the Source" column by Sonia Racy]

[Text] A finance minister has for the first time been invited to the annual meeting of the ECLA [Economic Commission for Latin America]. Roberto Teixeira da Costa, the person who is responsible for the Brazilian chapter, extended the invitation. Fernando Henrique Cardoso has accepted the invitation and he will be in Caracas on 1 and 2 October to speak about Brazil and Latin America.

Finance Minister Cancels Address to Nation

PY1308131893 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Aug 93

[Text] Finance Minister Fernando Henrique Cardoso has decided to cancel the speech he was to have delivered tomorrow over a radio and television hook-up in which he intended to take stock of his economic program and announce measures for the rescheduling of the debt contracted by states and municipalities. Of the 27 states, only 15 tried to negotiate a debt rescheduling agreement with the federal government.

Government To Set Up 'Amazonian Surveillance System'

PY1308205493 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Aug 93 Section 1 p 8

[Article by Brasilia correspondents Gutemberg de Souza and Raquel Ulhoa]

[Text] The National Defense Council yesterday approved the implementation of the Sivam (Amazonian Surveillance System), which will cost \$500 million. The investment will be made without calling for bids. The military ministers, the justice minister, the foreign relations minister, and the speakers of the Chamber of Deputies and the Senate met at Government House and decided to dispense with the call for bids.

In the official communique issued at the end of the two-hour meeting (from 1700 to 1900 local time), the Government House claimed—in keeping with Law No. 8666 dated 21 June 1993—that public dissemination of information on the equipment to be purchased and on other preparations would "jeopardize the system." The National Defense Council thus agreed to dispense with the call for bids. Article 24, Paragraph 9 of the law on bidding allows the government to dispense with the call for bids provided national security could be placed in jeopardy, and as long as the National Defense Council is consulted on the issue.

The Council authorized the administration to continue its studies for the implementation of the Sivam, a program designed to defend airspace and provide protection for flights over the Amazon region. The administration also claims that the Sivam will be an important tool for drug enforcement, defense of the environment, and the monitoring of indigenous regions.

The administration estimates that now that the council has approved the Sivam, five to eight years will be needed to fully implement it.

The decision to get the council's approval for the Sivam, whose practical results will take time, may have immediate political effects at two levels. At the domestic level, it seeks to assuage the concern prompted by news about U.S. military maneuvers in the Amazon region, near the Brazilian border.

At the foreign level, Brazil is getting ready to deal with the debate on the indigenous rights declaration. The NGO's (nongovernmental organizations) are already getting involved in this debate, and government representatives to the United Nations will have to deal with this issue as of January 1994. The Brazilian Government is afraid that the declaration may give rise to proposals to restrict national sovereignty over the areas occupied by indigenous populations.

The government's official communique states: "The control of the Brazilian Amazon region is the exclusive responsibility of Brazil." It adds that this sovereignty "is compatible with mankind's view of the Amazon, provided that this view is stripped of all its exaggerations, myths, and errors," in response to those who accuse Brazil of not having taken proper care of the region and calling for its internationalization.

Franco opened the meeting at 1715, asking the participants not to give out any information to the news media. To make sure that the meeting would be confidential the strategic affairs secretary, Admiral Mario Cesar Flores, asked all the aides to leave.

Armed Forces Propose 'Military Occupation' of Amazon Region

PY1308213093 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Aug 93 Section 1 p 8

[Article by Brasilia correspondent Sonia Mossri]

[Text] The Brazilian Armed Forces again proposed to the Brazilian Government a policy of military occupation of the Amazonian region, because they suspect that the United States is negotiating with Guyana the establishment of a joint training base in the jungle. This base would be built on the Brazilian border.

The proposals of the military officers are outlined in the Sipam (Amazonian Protection System) [Sistema de Protecao da Amazonia], which will cost approximately \$1.2 billion. The project was discussed at the National Defense Council meeting on 10 August. The military are wielding yet another argument in favor of occupying the Amazonian region: the indigenous rights declaration currently being studied by the United Nations.

U.S. Army and Navy troops have already carried out two maneuvers in Guyana so far this year, in May and in July. In response to U.S. maneuvers the Brazilian Army has planned, together with the Navy and the Air Force, to stage in September what could well be the largest joint exercise ever in the Amazon region.

The Amazon region has 5 million square km and a border 11,114 km long with seven other countries. The length of Brazil's Amazon border is 11 times the distance between Brasilia and Sao Paulo. The military's concern over drug trafficking or smuggling is "for show abroad." The idea is to obtain the support of international organizations that finance projects in this region.

The military concern over the indigenous rights declaration was aroused by the word "nation" in the document being studied by United Nations. Under the pressure of certain NGO's (nongovernmental organizations) the United Nations would be willing to use this word as a synonym for indigenous reservations. The military feel that once they are called nations, indigenous communities will reject Brazilian sovereignty and become international territories.

Before this can happen, the military are pressuring the administration in general, and President Itamar Franco in particular, to redefine the role of the National Indian Foundation and the size of the indigenous regions, which they consider excessive.

In practical terms, all these arguments serve to lay the foundations for a much broader military goal: convincing the administration to resurrect the Calha Norte Project launched during former President Jose Sarney's administration.

The Calha Norte Project basically proposes setting up a network of Air Force radars in Brazil's Amazon region. This network, called Sivam (Amazonian Surveillance System) [Sistema de Vigilancia da Amazonia] would cover almost entirely the region's 5 million square km. This system, which the National Defense Council approved on 10 August, has a total cost of approximately \$500 million, and is designed to control air traffic in the

region to hamper drug trafficking and smuggling. The Army also wants to deploy five additional platoons of 50 men each.

In their effort to dispel the idea that the Sipam is a purely military project and to obtain funds from international organizations, the Armed Forces claim that it is necessary to increase the presence of the state in the Amazon region so as to encourage settlement by farmers, create new jobs, provide health care, build schools, and increase drug enforcement by expanding Federal Police actions in the area.

Military Concerned by U.S. 'Military Belt' Around Amazon

PY1408030693 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Aug 93 p 4

[Article by Brasilia correspondent Elza Pires]

[Text] Armed Forces representatives yesterday held a closed-door meeting with Chamber of Deputies Defense Commission members to convey the Armed Forces' concern over the vulnerability of the Amazon region and over the growing U.S. military presence in countries bordering the Legal Amazon Region [Amazonia Legal—most of the Brazilian Amazon region has a special legal status] in Brazil. It is the first time that the military has given confidential information, classified as national security affairs, to legislators.

What surprised legislators the most was the revelation that there is an external military belt around the Amazon region, with Brazil having no control over it. The belt is comprised of technologically advanced bases in Colombia, Guyana, Venezuela, and Bolivia; and radar installations and airstrips including the building of a large airport in Barranquilla, in the Colombian jungle.

Numbers

General Sylvio Lucas da Gama Imbuzeiro, of the Army General Staff, gave a detailed report on the situation. In two and a half hours he gave dates and numbers on U.S. military operations in the border region. According to the general, the United States mounted two large radar observation posts in Santo Andres, Venezuela, and Barranquilla, Colombia, respectively, with the capacity to supervise the entire Brazilian Legal Amazon Region.

Imbuzeiro believes that Brazil's strongest defenses are diplomatic, because Brazil maintains good relations with the United States as well as with neighboring countries. He warned, however, that the lack of resources, particularly for the Calha Norte project [security belt along northern borders] puts the country in a difficult situation in face of the need to reinforce the military presence in a region of 1.2 million square km of practically unexplored land. During the session Admiral Mario Cesar Flores, chief minister of the Strategic Affairs Secretariat (SAE), told legislators about the latest meeting of the National Defense Commission, the plans that had been approved

to protect and occupy border areas, and details of the Amazonian Protection System (Sipam) and the Amazonian Surveillance System (Sivam), which also includes the Calha Norte project.

Brigade General Carlos Alberto Uchoa, of the Army General Staff, was invited by the Defense Committee to speak about the participation of the Army in the Calha Norte project. The Committee also asked Imbuzeiro to speak about foreign troops stationed on the border with Brazil. The debates were carried out behind closed doors. The military tried to warn legislators about the fact that Brazil does not have an integrated radar system in the region.

The aeronautics minister has recently withdrawn three radars from the northeast region and installed them in Boa Vista (RR) [Roraima], San Gabriel da Cachoeira (AM) [Amazonas], and Tabatinga (AM). According to Adm. Flores, at least 10 radars are necessary for the task. The installation of this equipment is included in the project presented at the last National Defense Council meeting as a way to reinforce the protection of the Amazon region borders. The SAE chief said that at least a year would be necessary for the definition and purchase of the materials needed for the Sivam system, which includes sensors, radars, and high technology equipment.

Flores said that the material can be purchased abroad without bidding, because it involves communication equipment for secret purposes. But all of the software to put them into operation must be national. Among the priorities for Sivam is the placing of sensors at strategic points, the installation of a communications system for exchanging information that needs to be made available, and a linkup with military units and organs such as the Federal Police and Funai [National Indian Foundation].

Colombia

Colombian Ambassador to Brazil Guillermo Gonzalez, during an audience with acting Foreign Minister Celso Amorim, yesterday denied the existence of any project to create a U.S. military base on Colombian territory. "The Colombian people and Congress would not permit it," the ambassador said. "The information is totally groundless." Gonzalez asked the minister to mention the denial to Brazilian newspapers. He also denied that a group of experts will accompany the new DEA chief during a visit he will make to Colombia to monitor the traffic along the country's borders.

Minister Denies Existence of U.S. 'Bases' on Amazon Border

PY1408032993 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 13 Aug 93

[Report from Brasilia by Claudia Moreira]

[Text] Aeronautics Minister Brigadier Lelio Viana Lobo today denied that the establishment of the Amazonian

Surveillance System [Sivam] is in response to U.S. actions near the Brazilian border.

Sivam was approved in 1990, but will only now be implemented. The first stage includes the acquisition of 17 fixed and three movable radars. This system will defend the borders and will fight contraband.

The aeronautics minister denied that Sivam is being implemented because of U.S. military maneuvers near the Brazilian border. Viana Lobo said:

[Begin recording] I am not aware of the existence of bases nor that they are being established. I do not see any reason for us to be concerned about or imagine a U.S. invasion of the Amazon region. I think that we have overcome this idea, and for this reason I do not see any reason whatsoever to be thinking such a thing. [end recording]

For security reasons, the Amazonian Surveillance System will not involve calling for any bids for the purchase of these radars, but will do so for the purchase of special equipment with foreign financing.

Ministry Denies Brazil's Involvement in Falklands War

PY1408183393 Madrid EFE in Spanish 1450 GMT 9 Aug 93

[Excerpt] Brasilia, 9 Aug (EFE)—The Brazilian Aeronautics Ministry today denied reports purporting that Brazilian pilots had fought with Argentina in the so-called Malvinas War in which Argentina pitted itself against the United Kingdom from April to June 1982.

A spokesman of the foregoing ministry told EFE News Agency that "there was no such participation by Brazilian pilots in that war."

Professor Moniz Bandeira, who lectures on foreign policy at the University of Brasilia, on 8 August told the weekly VEJA and Globo Television Network that "there is no doubt whatsoever that Brazilian pilots took part in (Argentina's) reconnaissance operations by flying Brazilian airplanes."

In his book entitled "The National State and International Politics in Latin America," Prof. Bandeira states that during the Malvinas War, Brazil loaned some "Bandeirante" reconnaissance planes to Argentina.

Having received a confidential report from a Brazilian colonel who at that time worked for local intelligence services, Prof. Bandeira further reported that a group of Brazilian pilots, the number of whom is not known, must at least have given Argentine pilots an intensive training course.

With regard to the purchase of "Bandeirante" aircraft by the Argentine Air Force, the Brazilian Aeronautics Ministry submitted all relevant information about this case to the Foreign Ministry, as it is "an issue that concerns international affairs."

The Foreign Ministry's Press Office stated that it will not make any statement on the aforementioned information because confidential diplomatic documents cannot be publicized until 30 years after they were drafted. [passage omitted]

Colombia

Economic Agreement To Be Signed With Venezuela

PA1208031193 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 11 Aug 93

[Text] Caracas—Venezuelan Foreign Minister Fernando Ochoa has said that next week Venezuela and Colombia will sign an agreement creating an economic integration council to facilitate the process of integrating both economies.

Colombian President Cesar Gaviria and Venezuelan President Ramon Velasquez will sign the agreement during a meeting they will hold in Maracaibo. Ochoa said they will also sign an agreement on connecting their electrical systems and one on marine oil spills. They will sign a memorandum of understanding for cooperation and mutual assistance in the event of natural disasters. The presidents will also discuss the smuggling of gasoline from Venezuela to Colombia.

FARC Commander Javier Arrested 12 Aug

PA1408143893 Madrid EFE in Spanish 1617 GMT 13 Aug 93

[Text] Santa Fe de Bogota, 13 Aug (EFE)—Army and prosecutor's office sources reported today that Francisco Javier Ramirez, commander of the 23d Revolutionary Armed Forces of Colombia (FARC) Front, was arrested in Santa Fe de Bogota the night of 12 August.

Ramirez, alias "Maturana," was found inside a house he rented 15 days ago in the San Martin neighborhood, southern Santa Fe de Bogota. He was alone when he was arrested and did not resist.

Approximately 50 members of the 23d Army Brigade and of the regional prosecutor's office participated in the operation.

The authorities found a 7.65-mm pistol, documents, and photographs in the house which, apparently, link Ramirez with criminal activities.

The security organizations have information that Ramirez was scheduled to meet with other FARC commanders in Santa Fe de Bogota. The FARC is the oldest and largest guerrilla organization in the country.

In the past months and mainly due to the reward system, Colombian authorities have managed to arrest important guerrilla chieftains, including command staff members of the Army of National Liberation and Popular Liberation Army.

Ecuador

Foreign Minister Says Border Incident Resolved

PA1408004993 Quito Voz de los Andes in Spanish 2300 GMT 13 Aug 93

[From "The Voz Andes Newscast"]

[Text] Foreign Minister Diego Paredes has said that the Ecuadoran and Peruvian Governments have resolved the incident that occurred in La Isla, along the Peruvian border. The Foreign Ministry and the Peruvian Embassy announced that following a full investigation, measures were taken to resolve the situation which, according to press reports, arose in La Isla, near the border river Sabanilla. The incident occurred due to unfortunate confusion between inhabitants of the region and a Peruvian patrol. Peruvian military authorities have announced the immediate redeployment of the patrol and the return of an Ecuadoran flag belonging to the Lopez family, who own the La Isla property.

[Begin Paredes recording] The important thing here is the intention. That is what matters. The important thing is the great sense of determination between the two countries. [end recording]

Regarding the ongoing dispute over the Pachacutec military garrison, which is now in Ecuadoran hands, the foreign minister said:

[Begin Paredes recording] The Foreign Ministry addressed this matter in its report to the nation. There we say quite clearly that this is an area where there are two interpretations of the facts. Ecuador argues, on solid grounds, that this area is Ecuadoran, while Peru also maintains, with its own arguments, that it is Peruvian. Since 1948, Peru has said that this area is in dispute. I believe that we must accept this as such. This is why we have dialogue as a means of resolving such differences. [end recording]

Diego Paredes affirmed that there is no Ecuadoran military presence in the La Isla area.

[Begin Paredes recording] We have no military presence in the area. There is one family living on the island there by the name of Lopez, who owns it. Order was restored immediately. Now there is absolute tranquility and normalcy in the area. I do not know how many soldiers were involved, but it was a small number. [end recording]

The Ecuadoran foreign minister believes there is no need for alarm over this incident along the Peruvian border.

[Begin Paredes recording] I do not know if there will be problems in the future where there are none now. There will always be problems in the relations between nations. Many nations have problems along their borders, whether they be European, American, or Asian. There will always be contact along the border, but this should not lead us to think that, just because there is a minor scuffle, it is a difficult or unmanageable situation. Not at all. We must remain above all this. [end recording]

Polls Show Duran-Ballen's Popularity Waning

PA1308232993 Quito Voz de los Andes in Spanish 1200 GMT 13 Aug 93

[From "The Voz Andes Newscast"]

[Text] Private polls reveal that President Sixto Duran-Ballen's popularity has declined sharply during his first year. According to these polls, 78.3 percent of those surveyed believe that the government has taken the wrong course, while 64.9 percent believe that the current crisis will worsen the situation even more next year. The polls show that only 24 percent of those consulted believe Duran-Ballen has real power while 60 percent believe [Vice President Alberto] Dahik is truly in control of the government.

President Accepts Resignation of Energy, Mines Minister

PA1308190393 Quito Voz de los Andes in Spanish 1200 GMT 13 Aug 93

[From "The Voz Andes Newscast"]

[Text] President Sixto Duran-Ballen has accepted the resignation of Energy and Mines Minister Pablo Baquerizo, who held this position for the past few months. With this the impasse between Baquerizo and Duran-Ballen, which began with Baquerizo's trip to the Middle East, has ended. It was also learned that the Petroecuador [Ecuadoran State Petroleum Enterprise] president, [Ricardo Estrada], has presented his irrevocable resignation in solidarity with Baquerizo. It is almost certain that Francisco Acosta will become the new energy and mines minister, the third one to be appointed during the present administration.

Paraguay

Uruguayan President Arrives for Wasmosy Inauguration

PY1308222493 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1620 GMT 13 Aug 93

[Excerpt] Uruguayan President Luis Alberto Lacalle is at this moment arriving in our country.

[Begin recording] [Reporter Andres Caballero] That is so. The Uruguayan president is now in our country. He

arrived by ship from his country, and he is now being met by our country's president, General Andres Rodriguez.

The Uruguayan is thus the first of the guests to arrive for the ceremony in which the presidency will change hands. [passage omitted] [end recording]

Lacalle Comments on Waterway, Press Role

PY1408163693 Asuncion ABC COLOR in Spanish 14 Aug 93 p 4

[Excerpts] [Uruguayan President] Dr. Luis Alberto Lacalle Herrera was the first South American chief of state to arrive in our country to participate in Juan Carlos Wasmosy's inauguration as president of Paraguay.

The Uruguayan president traveled by boat, arriving in our capital aboard the "Salto" patrol craft. He arrived at the Asuncion port yesterday at noon and was received with military honors by President Andres Rodriguez.

In his initial remarks, the Uruguayan president said that, with this trip on the Paraguay River, he wanted to emphasize the importance of the waterway and our country's river communications with the River Plate and the Atlantic Ocean.

Lacalle indicated that our sea outlet will be implemented "especially through Nueva Palmira because Paraguay is planning significant investments on the Uruguayan coast."

Later, Lacalle emphasized that he wanted to leave a message for the Paraguayan congressmen, asking them "to approve as soon as possible the waterway transportation agreement that has already been delivered to ALADI [Latin American Integration Association] and is effective in Uruguay and Bolivia."

Lacalle did not rule out the possibility that, with the presence in our capital of the presidents of the Mercosur [Common Market of the South] countries, some Mercosur issues may be discussed.

The Uruguayan president also wished success to the Wasmosy government because it will contribute to the well-being of the Paraguayan people and the strengthening of Mercosur.

Moving on, Lacalle did not want to make any comparison between the past Uruguayan Government's relationship with the [Uruguayan] military and Wasmosy's possible relationship with our country's Armed Forces. [passage omitted]

Afterward, Lacalle emphasized that he could not voice any opinion on Paraguay's domestic problems because, in his opinion, it would represent a lack of respect. Nevertheless, he emphasized the clean elections in which engineer Juan Carlos Wasmosy was elected president of our country.

He Emphasized the Role of the Press

Asked about the role of the press in our countries and if the press today is the "fourth power," as it is usually called, Lacalle responded: "I believe it is a power center and today we must talk about the press, the media."

The Uruguayan president explained: "Television, radio, and newspapers are power centers today. Power is not restricted to that person who is elected, that person elected by the people's will. Modern society includes economic power, trade union power, and media power."

Lacalle pointed out that this involves a great responsibility for the media people "because it is a power that has a great influence on the people's habits and culture."

The Uruguayan president emphasized that the people's civic training is achieved through the media. He noted: "Therefore, the media people must be very responsible in order to make Paraguay a freer and stronger country in the broad sense of the word."

Argentine President Menem Arrives for Inauguration

PY1408222193 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2141 GMT 14 Aug 93

[Excerpt] Argentine President Carlos Menem has arrived at Silvio Petirossi International Airport in Asuncion. His presidential airplane has taxied to the end of the red carpet, where President Andres Rodriguez is standing to receive Menem. [passage omitted]

Bolivian Vice President Arrives for Inauguration

PY1408203793 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1905 GMT 14 Aug 93

[Excerpt] Bolivian Vice President Victor Hugo Cardenas arrived in the country this afternoon. This is what he said at the airport:

[Begin recording] [Unidentified reporter] Good afternoon, Mr. Vice President.

[Cardenas] I am very happy that in my first trip abroad as vice president I am visiting this blessed Guarani land, the Paraguayan land. In my name, in the name of my delegation, and in the name of our President Gonzalo Sanchez de Lozada, our greetings to the Paraguayan Government and people. [passage omitted] [end recording]

Brazil's Itamar Franco Arrives for Inaugural Ceremonies

PY1408200593 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1845 GMT 14 Aug 93

[Excerpt] We are once again here at the airport in direct contact with the studios of the Cerro Cora Sistema Nacional de Television Network.

The Brazilian Air Force plane that is carrying President Itamar Franco is arriving exactly five minutes after the arrival of Chilean President Patricio Aylwin.

The Brazilian president is also here to participate in the inaugural of President-elect Juan Carlos Wasmosy at 0900 [1300 GMT] on 15 August. [passage omitted]

Peruvian President Fujimori Arrives for Inauguration

PY1408221993 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2116 GMT 14 Aug 93

[Excerpts] The Peruvian Air Force Plane carrying President Alberto Fujimori has landed at Silvio Petirossi International Airport. He will be received, as were the previous visiting presidents, by outgoing President Andres Rodriguez and the Honor Guard. [passage omitted]

At this moment the Peruvian president is walking down the ladder of the presidential plane and is being received by President Andres Rodriguez. [passage omitted]

Chilean President Aylwin Arrives for Wasmosy's Inaugural

PY1408191493 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1830 GMT 14 Aug 93

[Excerpts] We are here at the Silvio Petirossi International Airport, and at this moment Chilean President Patricio Aylwin is arriving in our country to participate in the inaugural of President-elect Juan Carlos Wasmosy. The Chilean president has arrived in a Chilean Naval Air Force plane. [passage omitted]

President Andres Rodriguez is here at the airport to receive his Chilean counterpart. [passage omitted]

Russian Ambassador Brings Yeltsin Message for Wasmosy

PY1308145293 Asuncion ABC COLOR in Spanish 13 Aug 93 p 8

[Text] Ian A. Burliay [name as published], Russian ambassador to Argentina, has been commissioned to come to our country as the bearer of a written message sent by Russian President Boris Yeltsin to [President-elect] Juan Carlos Wasmosy. The Russian chief of state wishes the best of luck for the new president.

The diplomat indicated that Russia is interested in trade and that it wants to purchase Paraguay's traditional and nontraditional products, while Russia is offering agricultural equipment and Lada vehicles.

"We have already established diplomatic relations with the previous Paraguayan Government, and we now hope that Russian-Paraguayan relations will be expanded and strengthened in every area with the government of His Excellency President Wasmosy. We hope to implement

the agreements that have already been signed regarding the exchange of ambassadors between our countries," Burliay said.

President Wasmosy Gives Inaugural Address

PY1508163093 Asuncion Red Nacional de Television in Spanish 1346 GMT 15 Aug 93

[Speech by Paraguayan President Juan Carlos Wasmosy after his inauguration at Independence Square in Asuncion—live]

[Text] [Applause] Honorable Congressmen, I have just taken the oath that effectively commits my conscience and my honor to our nation and to the sovereign will of the Paraguayan people. [applause]

The oath that I took, deeply moved, is more a religious vow than a simple and formal statement [applause] and it epitomizes the burning hope to fulfill the trust of my fellow countrymen.

Today ends an administration that has been able to overcome the impatience and fears of any human endeavor that seeks fulfillment. Today also marks the beginning of another stage of the political process: the initial steps of the long crusade for the recovery and improvement of our democracy.

Thus, upon undertaking the enormous responsibility that will be mine from now on, I must thank President Andres Rodriguez [applause], whom we Paraguayans owe for the firmness and dedication with which he complied with his word as citizen and soldier despite the many adverse factors, despite the relentlessly vicious negative criticisms, and the ever-present lack of understanding. [applause]

General, you have rightfully won a place of honor in our fatherland, safe from passing passions. Through you I would like to pay homage to all past administrations and presidents who tried hard to implement the state of law without success. The stature of those forefathers, their words and their deeds, are a legacy for those of us who want to ennoble the presidency and be worthy of it. [applause]

This historic square that today temporarily hosts the nation's Congress has been the site of many important events in the history of our fatherland. This city, Nuestra Señora de la Asuncion, capital of the Indias and mother of cities, was founded here 456 years ago. It was in this very square that our founding fathers gave us a free and sovereign fatherland in 1811. [applause]

Just recently, in 1989 Gen. Rodriguez began the period of transition to democracy by swearing to respect the Constitution at this very place.

I recall all these events because in one way or another we are the children of our land and our past, not to be imprisoned by them but to intelligently and decisively look—with the strength gained from the recognition of

our mistakes and the reaffirmation of our virtues—into the future of opportunities this present offers us. [applause]

Over these four years, individual and social liberties have been restored, human rights have been respected, and on many occasions misappropriations of public or private assets with the indulgence of those in charge of guarding them have been stopped. [applause]

Fellow countrymen, a good government means giving the people the right to speak and granting them the right to decide without forcing them to yield this responsibility to an ideology. It means once again giving the human being the main role in the political life, allowing consensus to prevail over confrontations just for the sake of confrontation. A good government means solving the problems of the have-nots, encouraging the peasants to grow and the indigenous communities to become integrated; it means fulfilling the youths' aspirations, the women's demands, contributing to the rehabilitation of the handicapped, granting the elderly safety, and training every citizen to jointly strive to overcome illiteracy, which represents the worst form of slavery. [applause]

Fellow countrymen, I am aware, therefore, that a good government is a must to be able to enjoy political democracy. Our country, today, is faced with this opportunity, and it is up to all of us to take advantage of it so that the entire society can enjoy the benefits of sustained human development.

There is little time to make the necessary changes but at the same time there are many changes that have to be made. [applause]

In order to be able to enjoy peace, justice, and freedom we must modernize the political parties; guarantee clear justice; have a fair social policy; give the Armed Forces an adequate role; have a sound public opinion; the citizens' safety; have an ethical media, freedom of worship, and harmony and dialogue between the members of the productive world, that is, employers and employees. [applause]

At this moment, in the midst of the complex national and international situation, the Paraguayan peoples' main concern lies in knowing in what direction the process that starts today with a new presidential term will go.

In this sense we must ratify two main objectives that were adopted on 2 February 1989 as the driving forces of the transition process towards democracy: the modernization and democratization of our country.

This is no longer time for foolish indifference nor of cowardly inactivity my dear fellow countrymen. We must all have the courage to work for our future and not be prisoners of our past following the bad path of ancient policies. Let us accept this challenge ahead of us; let us not forget that if we owe our parents this land in which

we were born, it also will be our legacy to our children. Therefore, our great responsibility lies in bequeathing it to our children by starting today with an appeal for tolerance, dialogue, understanding, and the consensus of all citizens. [applause]

I feel no rancor nor hatred for anybody. I want to be everyone's man in the effort to build a better fatherland for our fellow countrymen. [applause]

The plan we will strive to implement in our capacity as public servants with the purpose of attaining a sustained human development resulting from this democracy will be based on the desire that the elected model have the lowest social cost possible. For this we must humanize the labor world; we must acquire modern technology. We will determinedly strive—it will be a national obsession—to increase the education level, always bearing in mind that duty rather than glory is the principle we must teach the young as a means to encourage them to study. [applause]

We will not forget the children who are our fatherland's future by guaranteeing their right to life, to sufficient food, and especially to education so that tomorrow they will have the tools to earn an honest living.

My administration and I will give priority attention to the enormous mass of young people who expect to be able to find an honest job and support a family in their fatherland. I invite them to join our effort to provide training and jobs to guarantee full employment and the stability that we all need. [applause]

Women will receive special attention [applause] because many of them are both heads of and the sole support of their families and still are being discriminated against for a variety of reasons. The same attention will be given to indigenous people, who must have a fair and secure position in this multiracial society of ours. [applause]

The new political style will work in favor of everyday coexistence among the various communities. This new style will create the necessary atmosphere that will allow them to satisfy their spiritual needs and will provide the mechanisms necessary to peacefully resolve conflicts. In sum, the new style will allow the people to engage in politics without fearing for their freedom because we are convinced that democracy cannot be built amid fear for one's freedom. [applause]

If we are able to unite and agree, there will be prosperity and peace, otherwise our lack of unity will inflict backwardness and misery on our people and even the serious problems caused by violence and social chaos.

Dear fellow countrymen, let us bear in mind that poverty does not vanish just because of the advent of freedom. Therefore, we will encourage production by giving the people every possible chance to participate. We must produce an adequate amount of basic goods and services for the entire population because poverty and growing

difficulties in earning a living sometime lead people to blame democracy for these evils. [applause]

If we are unable to curb poverty, society will begin to disintegrate because if those less fortunate lose faith in the state or the legal system as the means to resolve their problems, they could fall easy prey to violence and immoral behavior. This social problem could turn into a political problem of unusual proportions by engulfing the young.

Thus, not the administration alone but society as a whole must take upon itself the task of finding solutions to the scourges that threaten all nations in the world.

In our economy we still have obsolete methods of production that must be changed and in some cases definitely replaced. We will try to change the conditions that cause low productivity, our dependency on a small number of raw export products, the lack of intermediary organizations, and the lack of infrastructure necessary for economic development.

Agriculture, which in this country generates more than two-thirds of the foreign currency, approximately 50 percent of the jobs, and supplies almost all the food that is consumed, must be modernized to overcome its many limitations.

In general terms, the government's priority objectives will be to curb inflation, establish an exchange policy that will allow us to export our products, and a credit policy that will benefit the national productive sector and, in particular, lower-income groups.

Pulling our country out of underdevelopment represents a challenge to all of us: politicians, economic agents, labor unions, grass-roots organizations, social movements, and religious movements. All of us, united, must bring the interests of our people together. [applause]

Moreover, dear fellow countrymen, the economy tends to become globalized and, therefore, our country must join this world trend so that it will have a chance to compete. Currently, there is a single model adopted by modern economies and we must adapt our development policies to this model in order not to remain isolated and at a disadvantage.

In my capacity as president, I will strive to adequately insert our country into the international community according to the conditions and resources we have. This productive transformation will be sustainable if it coexists with the policies designed to attain social cohesion and an equitable distribution of resources because, in order to consolidate the economic change, it must be accompanied by functional social changes.

I believe we will, thus, be able to face the obstacles and have access to free trade following the rules imposed by industrialized countries that, pressured by their domestic problems, increase the existing gap even more so. The only solution to this problem is for the Latin American countries to become united in order to help

each other grow. We need supranational enterprises that can establish rules for the reciprocal benefit of the nations in the field of common interests, as well as other organizations that can judge the behavior of a country in honoring its integration commitments, which will allow us all to grow and allow us to share the benefits attained so that our democratic governments may thus improve. [applause]

We will turn the state into a tool for development. We will strive to maintain a balanced budget pointing out, however, that the problem in this field does not lie so much in the size of the state itself, but rather in the interrelation between the public and private sector and the way in which these two sectors efficiently fulfill their respective roles. These two segments must necessarily change in order to truly fulfill their mission. We hope our government will have the technical and operative capacity to promote a necessary change of mentality on the need for responsible participation in public affairs.

As has been stated regarding the education system reform, the state must become, with the full support of the private sector, the main tool for the transformation of the productive structure, that is, changes such as a loan system for small farmers and the creation and strengthening of intermediary organizations; the health services and sanitary infrastructure must benefit a greater number of inhabitants. Moreover, the government also must grant priority attention to the improvement of transportation services, access to energy sources, and the expansion of communications systems.

In the political sphere it is obvious that, although important progress has been made in the democratic institutionalization process, it is no less true that the consolidation and improvement of these institutions depends mainly on their efficiency to allow Paraguayan society to reach the well-being and living standards it legitimately aspires to, and that they establish firm governability conditions for the fulfillment of these objectives.

In this regard, the political system is facing its baptism by fire. This applies to both the ruling party and the opposition, and to the work of the executive branch and the legislative branch.

Significant efforts will have to be made to reach agreements with the understanding that the fate of Paraguayan society comes first.

On 9 May my party, the Colorado Party, won a resounding electoral victory [applause] overcoming the differences that are normal in any democratic party. The Colorado Party has demonstrated that it has democratic convictions and that it is Paraguay's strongest electoral force because of its drive and its faith, both duly proven in the elections that gave me the presidency of the nation. [applause]

The ruling Colorado Party must prove that it is capable of contributing to the in-depth changes that the Paraguayan state and society must undergo to launch a struggle against poverty.

It is also obvious that the economic system, the political institutions, the state, and society as a whole cannot operate properly without an honest and efficient Judiciary Branch. If we are to have a state of law—a main pillar of a democratic and modern society, basic liberties, and respect for public property and human rights—there must be an incorruptible Judiciary Branch capable of becoming the main tool in the struggle against corruption. [applause, cheers]

Thus, I formally promise to make sure that justice will be administered by a Judiciary Branch free from pressures and made up of upright and honest men committed to inexorably enforcing the law in a permanent struggle against public and private corruption and crime, regardless of the shape it may take. [applause]

I say this because I believe that pliant courts lacking the necessary courage work against basic democratic principles. This change will not be accomplished through decrees but through agreements on the objectives we seek because it will be difficult for us to come up with an effective government strategy if we are unable to get government policies approved by congressmen from the ruling party and the opposition.

It will be up to the administration to bring the entire community together for tasks of common interest, and encourage public and private common efforts above and beyond obsolete and backward political bias.

In sum, it will be the administration's foremost task to reach an agreement with politicians, businessmen, and workers to implement public investments effectively and honestly. [applause]

The media plays a growing role in a modern society. In this understanding I urge the social communications media to exercise fair and objective criteria in keeping with moral standards in order to, thus, decidedly participate in the construction of an open society marked by broad dialogue and consensus.

We intend to continue working for the respect of human rights because, despite the great progress made in this field during the past years, one must always be alert to see that this principle is respected. We strongly wish and hope that a Paraguayan citizen never again suffers violence in his capacity as a human being, in his living image, nor that he may have to emigrate to other countries due to political reasons or economic difficulties. [applause]

We also voice our solidarity with those who struggle for other human beings not to be forced to lower themselves or suffer due to illegal means. Even though our society is relatively free from the great evils that pose a greater threat in other countries such as drug trafficking, white

slavery, prostitution, and human degradation, we will not begrudge our efforts and our cooperation to those countries that join forces to prevent and cure the scourges that threaten well-being throughout the world and that we find revolting.

Although our country has burning development-related problems, we will have to pay growing attention to matters pertaining to our future on this planet. We hope that more developed countries will understand this and not leave us alone in this task which poses requirements beyond our means. Together we will be able to accomplish objectives that divided we will never attain. [applause]

Dear fellow countrymen, I can hardly end this speech to the Congress of the Republic without expressing my deep gratitude to your Excellencies, Messrs. Presidents of the sister Argentine Republic, the sister Republic of Brazil, the sister Republic of Uruguay, the sister Republic of Chile, and the president of the Republic of Peru. [applause]

My special gratitude also goes to the vice presidents of the sister Republics of Bolivia, Costa Rica, and Honduras. [applause]

Their presence encourages and honors us, gives us prestige and moral support for this democratic process that we are going to consolidate my dear fellow countrymen. [applause]

I also want to express my gratitude to the special missions and the personalities that head them and have had the decency to share with our people this ceremony in which everyone, locals and foreigners, have ratified our unwavering commitment to the ideals of democracy, peace, and justice. [applause]

Dear fellow countrymen, the same as I offered the Caacupe Virgin the gold medal I won when I graduated from high school at San Jose School [applause], today, I offer the command baton I have received as a symbol of my duties at the service of the Republic to the patron saint of our Armed Forces, our Lady of Assumption, so that she may help our Armed Forces always loyally guard our democracy and its institutions throughout our country. [applause]

I thank the great people of the Colorado Party who nominated me [applause] as the party candidate and who made the victory of the Colorado Party possible. [applause, drums]

I want to thank in advance all those who voted for other candidates in the elections for their tolerance. I promise them that my honest behavior will prove to their satisfaction that I have only one goal in mind: to serve my people and work hard for the greatness of our Republic.

I thank my wife, my children, my brothers, my relatives, and my friends for their willingness to support my decision to place myself at the service of my country.

At this solemn ceremony I remember and appreciate the achievements of those who came before us, the blood and sacrifice of our martyrs and heroes, the courage of our founding fathers, the faith of our fellow citizens, our politicians' will to serve, and the spiritual strength of our church. These are the foundations of our history and also of our nation's future.

From now on we want to make sure that our citizens will dwell amid peace, justice, and freedom.

Paraguayans and foreigners who live on this blessed Guaraní land, I have addressed you sincerely as befits a Paraguayan who has faith, who wants to serve, who has bet on his country, whose single passion is work and social justice, and whose single hope for his fatherland is that freedom may continue to reign. [applause]

To conclude, I call upon God our Lord to make all of us unselfish and persevering, to enlighten me and give me the good judgment that together with my conscience and my honor will help me during these five years, even if I have to tread the path of sacrifice and pain, never the trail of shame. [applause]

May God's mercy bestow on me the joy of peacefully and honorably turning over power to another freely elected citizen so I will be able to look into the eyes of my people and not have to cast down my eyes in shame for not having made every possible effort to achieve the well-being and happiness of you all. Thank you. [applause]

President-elect Interviewed on Prospects, Responsibilities

PY1508020293 Asuncion ULTIMA HORA in Spanish
14 Aug 93 p 2

["Exclusive" interview with President-elect Juan Carlos Wasmosy by unidentified reporter; place and date not given]

[Text] [ULTIMA HORA] What are your expectations, and how do you feel about the responsibility of taking over power?

[Wasmosy] It is a great responsibility that I have assumed, and which was bestowed on me by my fellow citizens in electing me constitutional president of the Republic. All I can say is that I will do my best. I will use all my ability, my intelligence, my willingness, and my conscience to satisfy the needs of my people.

[ULTIMA HORA] Engineer Wasmosy, you are the first civilian to occupy the presidency of the Republic in a very long time. What does this fact represent for you?

[Wasmosy] You can imagine. We are beginning a new stage in the political life of the Republic. We are all beginners in this new endeavor: politicians in their specific area, legislators in Congress, each one in his respective area. I want to ask all journalists, who are members of a fourth power that becomes a first power in a democracy, to show ethical standards and balance in

order to allow me to carry out dialogue and seek consensus and coalitions so as to be able to implement our government program. Let your voices serve as a bridge between the government and those who are governed.

[ULTIMA HORA] Will the economy be the main line of your policies? What will be your government's main concerns?

[Wasmosy] My government's main concern will be the domestic situation, the social area, to maintain the budget balance, to reform the financial system, the foreign exchange, the credit system, and to receive foreign credits. I have been offered many credits. The problem lies in having the money for the domestic matching funds. I cannot suffocate the country by accepting credits that do not produce immediate results, or which are not a priority. I could have brought back \$3 billion in credits, but at this time our economy does not produce enough for the matching contribution. We have decided to give priority to agriculture, roads and infrastructure, education, and health.

[ULTIMA HORA] How do you see the issue of governability? Is it possible, or is it merely a wish?

[Wasmosy] It will be absolutely possible, you will see.

[ULTIMA HORA] Have you had concrete talks about it already?

[Wasmosy] Yes sir, we have started talking.

[ULTIMA HORA] I understand you met with Mr. Domingo Laino [Authentic Radical Liberal Party leader]. What will be the bases for that governability?

[Wasmosy] I would not like to comment on that. I ask you to allow me to abstain from answering that question until we have something concrete to talk about.

Rodriguez Expresses Regret Over Lack of Jobs, Investment

*PY1408225593 Asuncion ABC COLOR in Spanish
14 Aug 93 p 11*

[Text] Upon leaving his office at Government House on 13 August, President Andres Rodriguez was questioned by the media. He said: "I could not realize my greatest desire: to give work to every Paraguayan." He admitted that there is a lack of jobs, and that despite the efforts that had been made it had not been possible to overcome the situation. "We have not been able to create work sources for our fellow countrymen because investors lack confidence," he said.

He stated that investors always seek countries where there are guarantees and security for their investments, "and for one reason only we have not been able to obtain this: At the beginning of our tenure the people began to enjoy freedom and democracy, and they believed that they had enough reason to do anything they wanted. They began to invade private property here and there,

making a disaster of it all, and this gave rise throughout the world to a lack of confidence in the Paraguayan people," he stressed.

"Who, then, is going to come here saying 'I will invest in Paraguay?' For what reason? If they invade private property today, then tomorrow they may very well invade industries, then factories, and later on even households," he lamented.

He remarked that there had come a point at which no one respected the law, and that "this is the only reason why here in Paraguay we have not been able to attract sufficient investors."

"We have had them," he acknowledged, "but only from those who really know our people, such as the Brazilians, who installed a soybean processing plant in Ciudad del Este with an investment of more than \$60 million. I believe they are now processing nearly 50 percent of Paraguay's soybean production."

He then highlighted the fact that upon leaving government his greatest satisfaction was that of "having brought democracy and freedom to our country, of having given it an Electoral Code that was strictly and chronologically followed, and of having created the space in which the members of the Constituent Assembly were able to work on a charter that now rules our country—in other words, a new national Constitution."

Asked whether he would occupy his seat in the Senate in his role as senator for life, he said that he was grateful for having been given the distinction. He stated that no rules had yet been laid down for this role, and that he did not know whether or not he had to be sworn in. "I will have a voice, but not a vote, and under certain circumstances, when there is the need, I will be discussing things with my friends the senators," he said.

In conclusion, he thanked the media for having given coverage to his accomplishments and to his errors, and begged forgiveness if at any given time he had not been able to comply with their requirements.

Investment Protection Agreement Signed With Austria

*PY1408233693 Asuncion ABC COLOR in Spanish
14 Aug 93 p 11*

[Text] On 13 August Paraguay and Austria signed an agreement for the promotion and protection of investments. The ceremony took place at 1740 at the Foreign Ministry. The agreement indicates that the two states will in their territories reciprocally promote the capital investments of the other contracting party, and will admit such investments in accordance with their respective legislation. They will also grant just and equitable processing of investments, a processing that cannot be less favorable than the processing granted to its own investors or the investors of any third state.

Foreign Minister Alexis Frutos Vaesken signed the agreement in the name of our country, and Ambassador Gerhard Heible for Austria.

Mexican Foreign Secretary Praises Political Developments

PA1508040293 Mexico City NOTIMEX in Spanish
2221 GMT 14 Aug 93

[Report by Hugo Sergio del Aguila]

[Text] Asuncion, 14 Aug (NOTIMEX)—The consolidation of the democratic political system in Paraguay shows that Latin America is going through a new phase, Mexican Foreign Relations Secretary Fernando Solana said here on 14 August.

He met on 14 August with President-elect Juan C. Wasmosy, who will be inaugurated on 15 August.

The chief of Mexican diplomacy said he conveyed to Wasmosy greetings from President Carlos Salinas de Gortari "to wish good luck to the new government, whose installation will help consolidate democracy not only in Paraguay but in Latin America."

"Mexico places great importance on what happens at present or in the future in Paraguay," the foreign secretary told NOTIMEX.

"We think democracy has consolidated in this country that is so dear to Mexico and we are very pleased because it shows Latin America is going through a new phase," Solana added.

"Paraguay, because of the situation that prevailed for many years, was an important case that was being observed with interest by Latin America," he said.

In Solana's opinion, "this consolidation of the democratic political system, which is marked by the installation of a civilian president, is satisfactory not only for Paraguayans but for Latin America."

The foreign secretary pointed out the message he handed to the Paraguayan president-elect on the morning of 14 August "underscores the importance [interes] to Mexico and Latin America in general that there will be a change to preserve democracy."

"Mexico is moving forward with a process that involves a free trade agreement with the United States and Canada and wishes to stress its role in Latin America. This is why it has made monitoring developments in our countries an absolute priority," Solana said.

"There is great change in Latin America, especially toward achieving economic opening and democracy and to modernizing and increasing productivity to upgrade living conditions," the secretary added.

Solana said that "beyond words, what is happening in Latin America is unprecedented."

"Latin America is undoubtedly facing the great dilemma of consolidating its modernity and opening to decidedly advance toward achieving higher standards of living," Solana added.

The Mexican secretary said "there is significant progress, such as in Guatemala, where the people preserved the functionality of democracy."

He reaffirmed that developments in Paraguay "once again confirm that the peoples can consolidate democracy and economic opening and determine their own fate."

Solana arrived in this capital in the wee hours of 14 August and will stay until 15 August. He is scheduled to meet with outgoing President Andres Rodriguez on 14 August.

Peru

Government Establishes Relations With South Africa

PA1508201393 Paris AFP in Spanish 2234 GMT
12 Aug 93

[Text] Lima, 12 Aug (AFP)—According to a communique issued by the Peruvian Foreign Ministry on 12 August, Peru and South Africa established diplomatic relations "at the highest level, based on equality and noninterference in internal affairs."

The note stated that Peru is establishing relations with South Africa "considering the important changes that have taken place in South African political life, changes that have been recognized by the United Nations."

The communique added that the two nations will appoint their respective diplomatic representatives soon.

Fujimori on Creation of Terrorism-Related Pardon System

PA1308200993 Lima Panamericana Television Network in Spanish 1200 GMT 13 Aug 93

[From the "Good Morning Peru" newscast]

[Text] President Alberto Fujimori has again called on Congress to approve his draft bill creating a system similar to the presidential pardon for people charged with terrorism-related crimes. In addition, the president announced the arrest of three Shining Path [SP] members who perpetrated the hideous murder of three Japanese engineers two years ago in Huaral. The Japanese engineers held cooperation tasks in the country.

[Begin recording] [Fujimori] The murder of the Japanese engineers took place at 0745 on 12 July 1991. Following two years of a patient investigation, which required scientific and police techniques, we have reached certain

conclusions that allow us to exactly identify those who committed this murder, those who covered things up, and how it was planned.

The order was given by so-called comrade Albino or comrade Alejandro, Marcial, or Raymundo, who is a member of the SP central committee. He is the individual that I am showing here. We still do not know his real name, but he has been identified as the individual I am showing here. This information was given by all those who have been apprehended in connection with this incident.

We have been able to achieve this result thanks to a patient work of intelligence, within the strategy of the antiterrorism struggle. I repeat, however, that after two years and one month, we have concluded the investigation and are ready to apply the sanctions these murderers deserve.

Do you have any questions?

[Unidentified reporter] Can you state your full confidence in the Dincote [National Counterterrorism Directorate] investigation, or is it possible that some mistakes may have been made, as the interior minister said on 11 August?

[Fujimori] Are you referring to arrests, violations....

[Reporter, interrupting] [words indistinct] processing people who possibly could be innocent?

[Fujimori] The possibility that some mistakes may occur exists. We must not forget that we are waging a 13-year bloody war, and we face the risk of making mistakes, as has happened everywhere else in the world. Mistakes do happen, but all state organizations are watchful in preventing mistakes from happening. State organizations are primarily working to avoid mistakes, then to correct mistakes if some were made.

For example, I requested in the 28 July presidential address the possibility that the president be granted special powers not to grant pardon to processed people but a similar system be created to pardon processed individuals.

If I learn that a person has been arrested without a justification or that a citizen has been arrested—as it may occur—after being extorted by a corrupt police officer, then during this period of emergency the president of the Republic should have the power to decide that citizen's liberation. The process can continue its due course but not with the individual indefinitely in prison, as was the case with a journalist. [end recording]

Hundreds of People Demand End of Blockade on Cuba

*PY1408171893 Lima LA REPUBLICA in Spanish
25 Jul 93 p 10*

[Excerpt] More than 1,000 political and intellectual personalities, including union leaders, artists, diplomats, and students yesterday gathered in Barranco and signed a document addressed to UN Secretary General Butrus Butrus-Ghali, in which they request his intervention to end the inexorable blockade imposed on the socialist island.

It was a significant expression of solidarity with the Cuban people called for by the "Jose Marti" Peruvian-Cuban Cultural Association at the large Cenfortur [expansion unknown] headquarters.

The overwhelming support for the international movement for lifting the tough economic and diplomatic sanctions imposed by the United States for more than three decades against Cuba occurred yesterday in Lima a few days after the summit of 21 Ibero-American presidents in Salvador, Bahia, Brazil demanded the end of the blockade.

The document signed yesterday recalls that the 49th UN General Assembly approved a resolution requesting that the international community end the unjust blockade imposed on Cuba "fully complying with the UN Charter."

The document of solidarity once again calls for the principle of nonintervention and of not meddling in the domestic affairs of any sovereign state, a principle which is not only recognized by international law but by the constitutions of countries that persist in isolating Cuba.

The signatories of the document state: "The undersigned all come to you Mr. Secretary General to ask for your attention to the feelings of international public opinion and of our people, to use your good offices for the fulfillment of such resolution."

Political leaders of various parties and ideological positions began arriving at noon at the aforementioned place in Barranco district.

Present were Jorge del Prado and Gustavo Espinoza, former leaders of the Peruvian Communist Party; Ricardo Lets and Angel Castro Lavarello of the Mariateguist Unified Party; and Rolando Brena Pantoja of UNIR [National Union of the Revolutionary Left].

Gustavo Mohme Llona and Congressman Julio Castro Gomez of the Democratic Left Movement arrived a little later.

The presence of the former leader of the General Confederation of Peruvian Workers, CGTP, Isidoro Gamarra next to Valentin Pacho stood out among union leaders and leaders of the Lima and provincial neighborhood organizations.

Present also were prominent leaders from other democratic parties, which despite the ideological differences, have always had in Peru a position of solidarity with the Cuban people.

Among them were Ernesto Gamarra Olivares, a member of the FIM [Independent Moralization Front], and Jose Barsallo Burga, of APRA [American Popular Revolutionary Alliance].

Also participating in the fervent meeting were Cuban diplomats, the illustrious jurist Alberto Ruiz Eldredge, and former foreign minister and former Peruvian Army General Edgardo Mercado Jarrin.

Among the intellectuals was Wiston Orrillo, director of the Social Communications School from the National San Marcos Greater University. [passage omitted]

National Policemen Discharged for Corruption, Indiscipline

PY1408035293 Lima EXPRESO in Spanish 3 Aug 93 p A13

[Article by Miguel Zegarra]

[Excerpt] Arequipa—Commander General Jose Alvarez Caballero, chief of the 11th Police Region, has revealed that 300 members of the Peruvian National Police (PNP) have been discharged from the institution throughout the country, because they were involved in crimes of corruption and indiscipline. This shows that the moralization process in the military institution remains firm.

Stating that 20 policemen were discharged in Arequipa, the police commander said that the remaining 280 had been discharged in varying parts of the country.

He added that some policemen had been discharged from the institution because they were involved in crimes of terrorism and drug trafficking.

Most members of the PNP were discharged because they were involved in serious violations of morale and good manners.

Without giving further details, Alvarez said that the discharged officers and subordinates would be court martialled. [passage omitted]

New Civil Procedural Code Enters Into Effect

PY1408035493 Lima EL PERUANO in Spanish 2 Aug 93 p A1

[Text] The new Civil Procedural Code entered into effect today. The new code represents clear progress in the process of the modernization of our civil legislation. It is also a modern step in the process of Judicial Branch reform. The new code will be applied by a certain number of judges previously trained in it, while current trials will continue according to the rules of the existing code.

The most outstanding characteristic of the new procedural legislation is that it speeds up the development of trials, and adapts them to the demands of technological development.

An example of this progress is the requirement that sound trials be held from their very beginning. This is ruled in Title V of the fourth section, entitled Trial Presentation [Postulacion del Proceso]. This disposition will prevent the legal hair-splitting used at present, which in some cases even sends the trial back to previous stages as a delaying tactic.

Title VIII of the third section, dedicated to Procedural Activities, establishes the admissibility of modern surveillance means, such as photography and video. This disposition resolves one of the most serious shortcomings of the previous procedural code.

The application of the new norm was authorized by the Judicial Branch executive council through Administrative Resolution 033-93, which authorized previously trained civil court judges, mixed court judges, and judges of the peace to implement the new code.

The new code was elaborated by the Civil Procedural Code Revising Commission that was created by Law 25282. This commission worked on the production of the new code between December 1990 and February 1992.

The new Civil Procedural Code, which was published in March 1993, replaces the already obsolete Code of Civil Proceedings approved in 1912.

Justice Minister Says Amnesty International Distorts Truth

PA1508031093 Paris AFP in Spanish 1608 GMT 12 Aug 93

[Text] Lima, 12 Aug (AFP)—Justice Minister Fernando Vega Santa Gadea said that Amnesty International is "distorting" the truth "with unverifiable reports" of missing persons and alleged executions in Peru. He also said the government will soon issue the appropriate explanations in Washington and London.

"There is a subliminal message and relentless efforts against our government in international forums. An example is Amnesty International which, while acting seriously and objectively in some cases, bases itself on unverifiable reports about Peru," Vega Santa Gadea said.

The justice minister, who spoke on the night of 11 August at a forum on democracy and human rights in Peru, said that the latest Amnesty International figures indicate that 139 people have disappeared recently and that, of these, 63 have been executed extrajudicially.

"Amnesty International does not mention its sources nor indicate who committed the executions, again introducing an element of doubt about the moral authority

and ethics of a government that is trying to improve the human rights situation," the minister said.

Local official figures indicate there has been a 70- to 80-percent drop in missing persons this year and that the terrorist groups, "instead of destroying and dividing Peru, have united the country even more," the official added.

Interior Minister General Juan Briones admitted to the media on 12 August the existence of "a margin of error" in the police investigations of those arrested under suspicion of subversion.

Briones was questioned about the arrest and 20-year sentence given to a professor implicated in the attack on former Villa El Salvador Mayor Michel Azcueta some months ago. Azcueta has not identified Professor Humberto Camargo as one of his attackers.

Minister Briones said the courts are in charge of correcting any mistakes made in police investigations. "With the evidence, the courts must decide whether or not the suspected subversives are guilty," the interior minister added.

Venezuela

Velasquez, Copei Candidate on Political Change

PA1608024493 Caracas *EL DIARIO DE CARACAS* in Spanish 13 Aug 93 p 25

[Article by Armando Pernia]

[Text] "The next head of state will have to count on more than his party and a supportive legislative faction when facing the country's social, fiscal, and economic problems. He will need the nation's support and a preelectoral agreement because he will be unable to govern alone," Acting President Ramon J. Velasquez said during a 40-minute speech at a dinner with the media.

The president said that if democracy is not thought out beyond mere elections, "we will continue to face a lie, a caricature of a political system and we will be unable to face corruption in the public and private sector, which has frustrated the country's future."

The president answered critics, who described his government as inactive. He reminded everyone that he said at the beginning of his administration that his government would make no miracles and that his basic duty is to lead the country through times of social and economic peace "toward the December elections."

Velasquez asked businessmen to forget about excessive and easy profits and labor union leaders to give in, even in their just demands, in an attempt to reach an agreement that can benefit everyone, with no winners or losers.

One of the goals the president intends to accomplish is to "depresidentialize" power by sharing it with governors

and mayors, who are now "free from the supervision of their parties, a phenomenon that has marked a new stage. The president no longer has governors from his party in important states. The same holds true for mayors in their respective regions. The country's decentralization makes me be optimistic about its future."

The president said, however, "the threats of political violence remain because promises are left unfulfilled while conflicts worsen. That is why I have begun taking apart a structure that not even oil revenues can maintain. It represents a huge challenge for the next head of state."

The Journalists' Social Security Institute invited Rafael Caldera, Claudio Fermin, and Oswaldo Alvarez Paz to its traditional annual dinner, but only the Social Christian Party [Copei] candidate attended to promise "sacred respect for freedom of expression and information."

Alvarez Paz said the country does not need constitutional reforms but a new constitution and to draft one the country needs a constituent assembly. He also presented himself as the candidate who will "disassemble the structures everyone wants to change."

Journalist Denounces Alleged Political Plan for Coup d'Etat

PA1408202293 Paris AFP in Spanish 1635 GMT 14 Aug 93

[Text] Caracas, 14 Aug (AFP)—A political plan aimed at provoking a coup d'etat to remove acting President Ramon J. Velasquez from office was denounced on 14 August by journalist Jose Vicente Rangel.

Rangel's charge coincides with the persistent rumors heard throughout the past few weeks about "strange" movements within the Armed Forces and statements by Lieutenant Colonel Hugo Chavez, leader of the failed coup attempt in February 1992. Chavez warned about the possibility of another coup by the "more reactionary" sectors of the Armed Forces.

"We are in the presence of not only a terrorist plan, but also a political plan backed by a great economic power and aimed at ending the government of President Velasquez to provoke a military coup," Rangel said recalling the various bomb attacks of the past few weeks.

According to the journalist, the plan includes weapons and sophisticated equipment introduced clandestinely, C-3 and C-4 explosives, and people who are mentally developing this political plan."

"When the honeymoon, created by Velasquez' rise to power (he took office in June in replacing Social Democrat President Carlos Andres Perez, who is being tried for mismanagement and embezzlement of public funds) ended, this terrorist political plan saw its chance," Rangel added.

After recalling that the sending of letter bombs to magistrates of the Supreme Court of Justice in July, Rangel said "that is not the end of it; there is a possibility that selective actions will be executed."

Rangel said that these selective actions would be aimed at Rafael Caldera, former Christian Democrat and current president candidate, Prosecutor General Ramon Escovar, and at the president of the Supreme Court of Justice Gonzalo Rodriguez, among others.

Law Authorizes Extraordinary Presidential Measures

PA1308154493 Caracas Venezolana de Television
Network in Spanish 1550 GMT 12 Aug 93

[Text] The Senate passed in one debate the law that authorizes the president of the Republic to adopt extraordinary economic and financial measures. Thus, the way has been paved for the executive to take prompt action in such areas as the creation of a general sales tax, measures pertaining to business assets, and special legislation for the farming sector.

Thanks to this law, the president has the authority to reform the housing policy law, eliminate the law that protects mortgage holders, modify banking sector legislation, and move up certain privatization plans.

A proposal set forth by several senators recommends that the executive exempt Margarita Free Port from the application of the value-added tax to preserve its traditional commercial advantages.

The senate also decided to give constitutional priority to the reformation of the law on narcotics and psychotropic drugs, which is expected to pass on 12 August in a single debate.

Following a tight congressional schedule, the joint chambers approved the privatization law, the law on public property protection, and the new draft of the Armed Forces social security law. This last law was returned to Congress by President Velasquez with strong objections. Following revision, the text of the law will again be sent to the president for his approval.

Defense Minister Reports Communication Requirements

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Network in Spanish 2350 GMT 11 Aug 93

[Report by Jose Marcano; from the "The News" newscast]

[Text] A new frequency is urgently needed to cover the Armed Forces' telecommunications needs. This frequency would cost \$110 million. This was said by Defense Minister Radames Munoz Leon in response to questions from the Senate Administration and Services Commission.

It was reported in a commission meeting that a frequency that had been granted to the Armed Forces was assigned by the Transport and Communications Ministry to mobile cellular telephone and cable television services.

The defense minister said that a practical solution must be found.

[Begin Munoz recording] Errors have been committed and someone must assume responsibility for these errors. There is no lack of communication between the two ministers right now. On the contrary, we have exchanged much information and we seriously understand that we must look for a practical solution. Some ideas have been offered but they have not been carried out due to the country's fiscal situation. [end recording]

Minister Munoz believes that the country must look for solutions rather than guilty parties. Nevertheless, Senate Administration and Services Commission members will present to the Prosecutor General's Office the charges made against the Transport and Communications Ministry and against Fernando Martinez and Roberto Smith, who granted the licenses for the mobile cellular telephone service frequency.

Commission Recommends Deficit Cutting Measures

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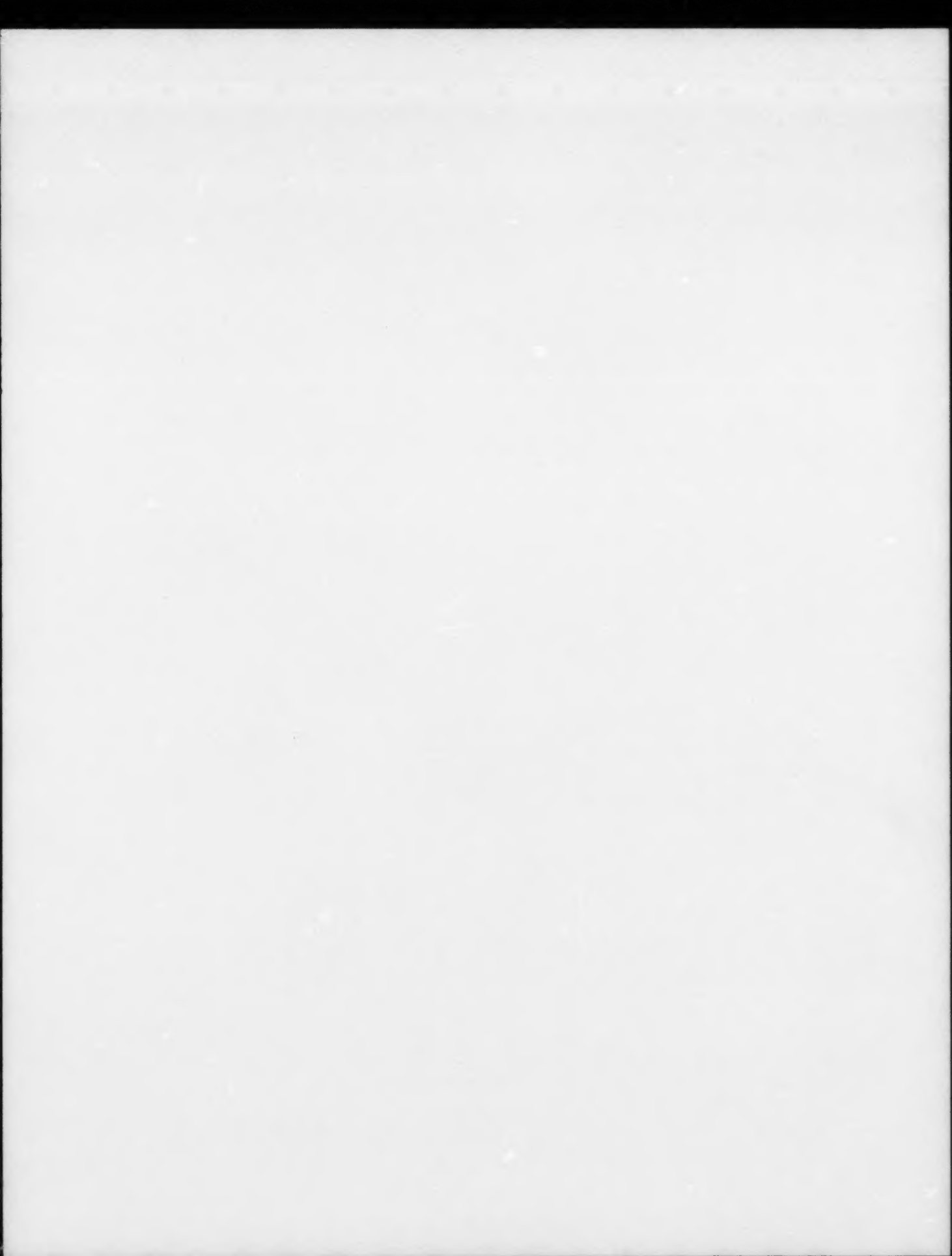
[Report by Cecilia Pachano at Miraflores Palace; from "The News" newscast]

[Text] The president will levy new taxes, cut spending, and revise foreign loans to try and reduce the fiscal deficit.

The tripartite commission created by President Ramon J. Velasquez has issued a report showing that the government's Treasury deficit reduction plan is supported by two legal tools—the enabling law and the umbrella law—and by three measures: additional income by means of the value-added tax, revenue stamps, taxes on business assets, and changes in the official fee schedule; spending cuts by means of bankruptcy declarations amounting to 15 billion bolívares [Bs] and of settling only priority expenditures; and finally, the debt, which envisages two formulas: negotiations over pending disbursements to international organizations and the sale of \$300 million in treasury notes on international financial markets.

All this will permit the government to cover Bs1.074 billion of its expected expenditures, which the executive has estimated to be Bs1.081 billion. That is, the measures will allow the government to cover almost all spending in the budget.

[Begin Finance Minister Carlos Rafael Silva recording] We believe that the measures being adopted, including tax measures, will allow the government to administrate a less complicated environment than the one we found when this transition government took office. [end recording]



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